



**HINDUJA FOUNDRIES**  
**HINDUJA FOUNDRIES LIMITED**

Registered Office: Kathivakkam High Road, Ennore, Chennai - 600 057  
CIN: L27104TN1959PLC003849; Tel: +91 44 2575 2103; Fax: +91 44 2575 0390  
Website: www.hindujafoundries.com; E-mail: secretarial@hindujafoundries.com

---

## **POSTAL BALLOT NOTICE**

*[Notice Pursuant to Section 110 of the Companies Act, 2013, read with rule 22 of the Companies (Management and Administration) Rules, 2014]*

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification, amendment or re-enactment thereof, for the time being in force) and pursuant to other applicable laws and regulations, that the resolution appended below be passed by the Members through postal ballot or electronic voting (e-voting). The explanatory statement pertaining to the appended resolution setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed Mrs. B Chitra (FCS No: 4509 and CP No: 2928), of M/s. B Chitra & Co., Practising Company Secretary as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent by courier or by registered post / speed post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5 pm on Tuesday, January 24, 2017 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member and the Postal Ballot Form(s) shall be considered invalid.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read carefully the instructions in the Notes under the section 'Voting through Electronic Means'. References to Postal Ballot(s) in this notice of postal ballot (this "Postal Ballot Notice") include votes received electronically.

The Scrutinizer will submit her report to the Chairman or any other authorised Director of the Company after the completion of the scrutiny of the postal ballots. The result of postal ballot shall be declared on Wednesday, January 25, 2017. The results of the Postal Ballot will also be displayed at the Company's Registered Office and the office located at Plot K – 2, SIPCOT Industrial Estate, Arneri Village, Sriperumbudur-602 105 and hosted on the Company's website at www.hindujafoundries.com besides communicating to Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited and the depositories.

### **SPECIAL BUSINESS**

#### **Appointment of Mr. D M Reddy as the Managing Director with effect from September 14, 2016 for three years and remuneration payable to him**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee, the approval of the Board of Directors and pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, as amended, read with Schedule V to the Act, as amended, Mr. D M Reddy (DIN - 00899127), who was appointed as an Additional Director of the Company by the Board of Directors on September 14, 2016 in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, signifying his intention to propose Mr. D M Reddy as a candidate for the office of Director of the Company, be and is hereby appointed as a Managing Director of the Company with effect from September 14, 2016, for three years and whose office shall not be liable to retirement by rotation, on the following terms:

#### **Remuneration:**

- (i) **Salary per annum** - ₹ 30,000,000/- per annum (fixed component ₹ 25,000,000 and ₹ 5,000,000 as performance based variable pay) on cost to company basis.
- (ii) **Perquisites and Benefits** - As per the rules and policies of the "Hinduja Group" of companies.
- (iii) Eligible for **Long Term Incentive Plan** formulated by the Nomination and Remuneration Committee.

**RESOLVED FURTHER THAT** Mr. D M Reddy be eligible to avail benefits under the Long Term Incentive Plan formulated by the Nomination and Remuneration Committee.

**RESOLVED FURTHER THAT** the above proposed remuneration as Managing Director is the same as is being currently drawn by Mr. D M Reddy as Chief Executive Officer.

**RESOLVED FURTHER THAT** the aforesaid remuneration be and is hereby approved as the minimum remuneration by way of basic salary and / or variable pay and other allowances not exceeding the limits specified under Section II of Part II of Schedule V of the Act, as amended, or such other limits as may be prescribed by the Government from time to time as minimum remuneration payable to Mr. D M Reddy even in case of absence or inadequacy of profits of the Company in any financial year during the currency of his tenure as Managing Director.

**RESOLVED FURTHER THAT** Mr. D M Reddy shall not be entitled to any sitting fee for attending the meeting of the Board of Directors or any Committee thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to enhance, alter or vary from time to time the scope and quantum of remuneration, perquisites, benefits and amenities payable during the tenure of appointment of Mr. D M Reddy, provided that any revision in the quantum of remuneration payable to him shall not exceed the statutory limits specified under Section 197 read with Schedule V of the Act, as amended, and shall be subject to such approvals, sanctions or permissions, as may be required for such revision in the remuneration.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and/or the Nomination and Remuneration Committee be and is hereby authorised to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, expedient, usual and proper in the best interest of the Company.”

By order of the Board  
for Hinduja Foundries Limited

Dated : November 9, 2016

Place : Chennai

CIN : L27104TN1959PLC003849

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

**S. Venkatasubramanian**  
Company Secretary

**Notes:**

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) setting out all material facts and the reasons for the proposed resolution is annexed.
2. This Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, December 16, 2016 (cut-off date). This Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company’s Registrar and Transfer Agent (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of this Postal Ballot Notice are being sent by permitted mode along with a postage prepaid self-addressed Business Reply Envelope.
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on Friday, December 16, 2016 will be considered for the purpose of voting.
4. The resolution, if assented to by the requisite majority of the Members by means of Postal Ballot, shall be deemed to have been duly passed at a General Meeting of the Members convened in that behalf.
5. The Members can opt for only one mode of voting, i.e., either by post or e-voting. In case Members cast their votes both by post and e-voting, his vote cast by e-voting shall prevail and his vote by post shall be treated as invalid.
6. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in) / [secretarial@hindujafoundries.com](mailto:secretarial@hindujafoundries.com). The Registrar and Transfer Agent / Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the names of the Members as on Friday, December 16, 2016.
8. In compliance with Sections 108 and 110 of the Act and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on the resolution through the e-voting service facility arranged by NSDL. The instructions for e-voting are annexed to this Postal Ballot Notice.
9. A Member cannot exercise his vote by proxy on postal ballot.

10. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours (i.e. 5 pm) on Tuesday, January 24, 2017. The postage will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. If any postal ballot is received after 5 pm on Tuesday, January 24, 2017, it will be considered that no reply from the Member has been received and such Postal Ballot Form(s) shall be considered invalid.
11. The Scrutinizer will submit her report to the Chairman or any other authorised Director after the completion of scrutiny of the Postal Ballots and e-voting. Results of the voting by Postal Ballot (including voting through electronic means) shall be announced on Wednesday, January 25, 2017. The results would be displayed at the Company's Registered Office and the Office located at Plot K – 2, SIPCOT Industrial Estate, Arneri Village, Sriperumbudur-602 105 and shall be intimated to the Stock Exchanges where securities of the Company are listed and will be hosted along with the Scrutinizer's report on the Company's website: [www.hindujafoundries.com](http://www.hindujafoundries.com) and NSDL website: [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
12. The resolution, if passed by the requisite majority, shall be deemed to have been passed on January 24, 2017.
13. All the material documents referred to in the explanatory statement will be available for inspection at the Company's Registered Office of the company from 11 am to 5 pm on all working days from the date of despatch of this Notice till the last date of voting.

#### **Voting through electronic means:**

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Act, read with the relevant Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of despatching the physical Postal Ballot Form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Members.

#### **The instructions for e-voting are as follows:**

1. Members whose email addresses are registered with the Company / Depository Participant(s) will receive an email from NSDL informing them of their User-ID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the e-voting process:
  - a. Open email and open the PDF file titled 'Hinduja Foundries e-Voting.pdf' using your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that this password is an initial password.
  - b. Launch your internet browser and type the following URL: <https://www.evoting.nsdl.com>.
  - c. Click on Shareholder – Login.
  - d. Enter the user ID and password (the initial password noted in step (a) above). Click on Login.
  - e. The Password change menu will appear. Change the password to a password of your choice. The new password should have a minimum of 8 digits / characters or a combination thereof. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
  - f. The homepage of e-voting will open. Click on e-voting: Active Voting Cycles.
  - g. Select 'EVEN' (E Voting Event Number) of Hinduja Foundries Limited.
  - h. Now you are ready for e-voting as the Cast Vote page opens.
  - i. Cast your vote by selecting the option of your choice and click on 'Submit'. Remember to 'Confirm' when prompted.
  - j. On confirmation, the message 'Vote cast successfully' will be displayed.
  - k. Once you have voted on a resolution, you will not be allowed to modify your vote.
  - l. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant resolution of the Board / authorization letter etc., together with attested specimen signature of the authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer via e-mail to [chitraandco@gmail.com](mailto:chitraandco@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. For Members whose email IDs are not registered with the Company / Depository Participant(s) and who receive the physical Postal Ballot Form(s), the following instructions may be noted:
  - a. The initial password is provided at the bottom of the Postal Ballot Form.
  - b. Please follow all the steps from b. to k. mentioned in 1 above, in order to successfully cast your vote.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e-voting user manual for Members available in the 'Downloads' section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or Call Toll Free No. 1800-222-990.
4. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
5. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
6. The e-voting period commences on Monday, December 26, 2016 (9 am) and ends on Tuesday, January 24, 2017 (5 pm), beyond which voting shall not be allowed as the e-voting module shall be disabled by NSDL for voting thereafter. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date i.e. Friday, December 16, 2016, may cast their vote electronically. Once the vote on a resolution is cast by a Member, he or she will not be allowed to change it.
7. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-off date i.e. Friday, December 16, 2016.
8. Grievances connected with the e-voting for postal ballot may be addressed to Mr. K Balasubramanian, Deputy General Manager of M/s. Integrated Enterprises (I) Ltd., at II floor, "Kences Towers" No. 1, Ramakrishna Street, North, Usman Road, T Nagar, Chennai-600 017 or may send an e-mail to [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in).

#### **Explanatory Statement pursuant to Sections 102(1) and 110 of the Companies Act, 2013 (the "Act")**

Mr. D M Reddy was appointed as the Chief Executive Officer (CEO) and whole-time key managerial personnel of the Company at the meeting of the Board of Directors of the Company (the "Board") held on April 4, 2016.

The Board, on the recommendation of the Nomination and Remuneration Committee, at a meeting held on September 14, 2016, approved the appointment of Mr. D M Reddy as Managing Director with effect from September 14, 2016, for three years, on the terms and conditions (including remuneration to be paid in case of inadequate profits or no profits) stated in the resolution set out in this Postal Ballot Notice subject to necessary approvals, sanctions or permissions, as may be required from the relevant authorities.

A brief profile of Mr. D M Reddy is given below:

Mr D M Reddy is an alumnus of IIT, Madras and NITIE, Mumbai. He has a vast experience of 29 years in Manufacturing & Technology sectors in the areas of Business Turnarounds, Technology Management, Manufacturing resource development, Cost management, R&D and IT.

He has worked in diverse companies and joint ventures with Global leaders such as Facit Asia, Eureka Forbes, Blue Star, BPL Sanyo Refrigerators and Fibcom India Limited.

His last assignment was at Subros Limited as President & Chief Executive Officer, Executive Director, wherein he has played a leading role to make it an innovative and world class manufacturing organisation. Under his mentorship, Subros has been awarded "Future ready factory - Platinum award" by Frost & Sullivan for India Manufacturing Excellence Awards (IMEA) 2015.

Mr. D M Reddy was appointed as an Additional Director of the Company by the Board on September 14, 2016 in terms of Section 161 of the Act. In respect of the appointment of Mr. D M Reddy, the Company has received a notice in writing from a member under Section 160 of the Act, signifying his intention to propose Mr. D M Reddy as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. D M Reddy has the credentials and potential to get appointed as Managing Director for turning around the Company.

The Company is incurring loss and has inadequate profits. Hence, the remuneration proposed may be taken as the minimum remuneration. The remuneration proposed is the same that Mr. D M Reddy was drawing as Chief Executive Officer of the Company.

The following information pertaining to Mr. D M Reddy is furnished pursuant to the provisions of Schedule V to the Act:

#### **I. GENERAL INFORMATION:**

##### **(i) Nature of Industry:**

Engineering - Foundry manufacturing ferrous and non-ferrous castings.

##### **(ii) Date or expected date of commencement of commercial production:**

1961

**(iii) In case of new companies, expected date of commencement of activities as per approved by financial institutions appearing in the prospectus:**

Not applicable

**(iv) Financial performance based on given indicators:**

₹ (in lakhs)

Year	Sales	PAT
2011-12 (April 2011 to September 2012 - 18 months)	1,02,936	(29,134)
2012-13 (October 2012 to March 2013 - 6 months)	30,422	(10,378)
2013-14 (April 2013 to September 2014 - 18 months)	99,679	(26,244)
2014-16 (October 2014 to March 2016 - 18 months)	84,232	(39,425)

**(v) Foreign investments or collaborators, if any:**

Hinduja Automotive Limited (formerly LRLIH Limited) UK holds 1,48,14,609 Equity Shares of the Company, representing 20.74% of the paid-up equity capital of the Company.

Hinduja Foundries Holding Limited, Mauritius holds 1,78,18,448 Equity shares representing 24.94% of the paid-up share capital of the Company.

**II. INFORMATION ABOUT THE APPOINTEE:**

**(a) Background Details:**

Mr. D M Reddy , aged 52 years, is an alumnus of IIT, Madras and NITIE, Mumbai. He has a vast experience of 29 years in Manufacturing & Technology sectors in the areas of Business Turnarounds, Technology Management, Manufacturing resource development, Cost management, R&D and IT.

He has worked in diverse companies and joint ventures with Global leaders such as Facit Asia, Eureka Forbes, Blue Star, BPL Sanyo Refrigerators and Fibcom India Limited.

Prior to joining the Company, Mr. Reddy was at Subros Limited as President & Chief Executive Officer, Executive Director, wherein he has played a leading role to make it an innovative and world class manufacturing organisation. Under his mentorship, Subros has been awarded "Future ready factory - Platinum award" by Frost & Sullivan for India Manufacturing Excellence Awards (IMEA) 2015.

**(b) Past Remuneration:**

At present, Mr. D M Reddy as Chief Executive Officer of the Company is drawing a remuneration of ₹30,000,000/- per annum. (fixed component ₹ 25,000,000 and ₹ 5,000,000 as performance based variable pay) .

**(c) Recognition or Awards:**

In his last assignment at Subros Limited, he was awarded "Future ready factory - Platinum award" by Frost & Sullivan for India Manufacturing Excellence Awards (IMEA) 2015.

**(d) Job Profile and his Suitability:**

As Managing Director and Chief Executive Officer of the Company, he will be responsible for the management of the Company, subject to the superintendence, guidance and control of the Board. 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 Chief Executive Officer of the Company. Being appointed as the Managing Director and Chief Executive Officer of a listed Company in foundry industry, he has tasks ahead to turn around the Company.

**(e) Remuneration Proposed:**

The remuneration proposed is detailed in the resolution.

**(f) 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.

**(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any:**

Mr. D M Reddy has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of a Managing Director.

**III. OTHER INFORMATION:**

**(a) Reasons for loss or inadequate profits:**

- High inputs cost including power.
- Unable to pass on the incremental costs to the customer.
- Lower capacity utilization on account of market demand.
- Debt to equity ratio is high on account of more borrowings and high interest cost.
- Irregular power availability which affected production and quality and loss lead to more rejections of customers' orders.
- 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.

**(b) 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 or liquidity, removing bottlenecks relating to its projects, improving the net worth including raising capital through preferential and qualified institutional placement issue and Global Depository Receipts. It proposed to amalgamate the company with Ashok Leyland Limited so as to get the support of a large organization to turn around the Company.

**(c) Expected increase in productivity and profit 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.

Mr. D M Reddy is not in receipt of any other remuneration in any other capacity from any other Company.

Mr. D M Reddy does not hold any shares or pecuniary relationship with the Company, its promoters, directors or Key Managerial Personnel.

Mr. D M Reddy has been given salary advance as per the rules of the Company when he was holding position of Chief Executive Officer.

No director, key managerial personnel or their relatives, except Mr. D M Reddy, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set out for the approval of the Members.

By order of the Board  
for Hinduja Foundries Limited

Dated : November 9, 2016

Place : Chennai

CIN : L27104TN1959PLC003849

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

**S. Venkatasubramanian**  
Company Secretary