



Hinduja Foundries Limited

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CIN : L27104TN1959PLC003849

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 ('the Act'), 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 resolutions appended below be passed by the Members through postal ballot or electronic voting (e-voting). The explanatory statement pertaining to the appended resolutions 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 Ms. B Chitra (PCS No.: 4509) failing her, Mr. M Francis (PCS No.: 14967) of M/s. B Chitra & Co., Practicing Company Secretaries, 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 17:30 Hours IST on March 5, 2016 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.

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 Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his or her report to the Chairman of the Company after the completion of the scrutiny of the postal ballots. The result of postal ballot shall be declared on or before March 8, 2016 and communicated to the stock exchanges, Depository, Registrar and Share Transfer Agent and shall also be displayed on the Company's website at www.hindujafoundries.com

RESOLUTIONS

Item No. 1 – Increase in Authorized Share Capital

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 61 and other applicable provisions, if any, of the Companies Act, 2013, the authorized share capital of the Company be and is hereby increased to Rs.10,00,00,00,000 (Rupees One Thousand Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 7,50,00,000 (Seven Crores and Fifty Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each by creating an additional 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- (Rupees Ten only) aggregating to Rs. 50,00,00,00,000 (Rupees Fifty Crores only) and 4,00,00,00,000 (Four Crores) Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating to Rs.4,00,00,00,000 (Rupees Four Hundred Crores only).

Item No.2 - Amendment of Capital Clause of the Memorandum of Association

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 13 and other applicable provisions of the Companies Act, 2013 the existing Clause V of the Memorandum of Association of the Company be and is hereby amended and be substituted by the following :

“V. The Authorized Share Capital of the Company is Rs. 10,00,00,00,000 (Rupees One Thousand Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 7,50,00,000 (Seven Crores and Fifty Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each.

The Company has the power from time to time to increase or reduce its capital and to issue any shares in the original or new capital as equity or preferred shares and to attach to any class or classes of such shares, any preferences, rights, privileges, or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the sub-division of any shares to apportion the right to participate in profits in any manner.”

Item No.3 - Alteration of Articles of Association

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 14 and other applicable provisions of the Companies Act, 2013 the existing Article 4 of the Articles of Association of the Company be and is hereby substituted by the following:

“4. The Authorized Share Capital of the Company is Rs. 10,00,00,00,000 (Rupees One Thousand Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 7,50,00,000 (Seven Crores and Fifty Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each.”

Item No.4 – To issue Securities under the provisions of Sections 41, 42 and 62 of the Companies Act, 2013

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 Sections 41, 42 and 62 as may be applicable and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made there-under (including any amendment thereto or re-enactment thereof) (“Act”) read with the provisions of the Companies (Share Capital and Debenture) Rules, 2014 and any other applicable rules made there-under and in accordance with the provisions of the Memorandum of Association and Articles of Association of Hinduja Foundries Limited (the “Company”) and subject to and in accordance with any other applicable laws or regulation, in India or outside India, including without limitation, the listing agreement entered into with the stock exchanges where the equity shares of the Company are listed (“Stock Exchanges”), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“SEBI ICDR Regulations”) (including any amendment thereto or re-enactment thereof, for the time being in force), the Securities Contracts Regulation Act, 1956 (“SCRA”), and the rules framed thereunder, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), the provisions of Depository Receipt Scheme, 2014, (“DR Scheme”), the Foreign Exchange Management Act, 1999 (“FEMA”), as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon, from time to time, by Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”), the Stock Exchanges, the Department of Industrial Policy and Promotion, Government of India (“DIPP”), the Foreign Investment Promotion Board (“FIPB”), the Government of India, the Registrar of Companies or any other statutory, judicial, quasi judicial or regulatory authority (“Governmental Authorities”), to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be required from such Governmental Authorities, consents from the lenders of the Company, and subject to such other approvals, conditions and modifications as may be prescribed, stipulated or imposed by such Governmental Authorities while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) thereof constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law), the Board be and is hereby authorized, on behalf of the Company, to create, offer, issue and allot, (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons, as may be permitted), with or without a green shoe option, such number of equity shares of the Company with a face value of Rs. 10/- (Rupees Ten only) each (“Equity Shares”) and/or other securities convertible into equity shares at the option of the Company and/or the holder(s) of such securities and/or securities linked to equity shares, Global Depository Receipts (“GDRs”), Singapore Depository Receipts (“SDRs”), without any voting rights attached to GDRs

or SDRs whether exercised by the GDR holders, SDR holders, depository to the GDRs or SDRs, or custodian of GDRs or SDRs or any other person whatsoever without voting rights, (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, in India or in course of international offering(s) in one or more foreign markets, by way of issue of GDRs or SDRs through issue of permissible/requisite offer document to any eligible person, including institutions/banks and/or incorporated bodies, mutual funds, venture capital funds (foreign or Indian) alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors and/or multi-lateral financial institutions, stabilizing agents and/or any other eligible investors including entities forming part of promoter, promoter group or any other group company and whether they be holders of the Equity Shares of the Company or not (collectively called the "Investors") as may be decided by the Board in its absolute discretion and permitted under applicable laws and regulations whether on a private placement basis or through an offer document by whatever name called or described and whether listed on any stock exchanges outside India or otherwise, such GDRs / SDRs to be denominated in USD or any other foreign currency for an aggregate amount not exceeding Rs. 4,00,00,00,000 (Rupees Four Hundred Crores only), inclusive of such premium as may be fixed on the Securities by offering the Securities, at such price or prices, at a permissible discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) or intermediary (ies) appointed and / or to be appointed by the Company (the "Issue").

RESOLVED FURTHER THAT the GDRs and the SDRs as the case may be shall not have any voting rights (whether exercised by the GDR or SDR holder or the depository or the custodian or any other person on behalf of the holders) at any meeting(s) of the Company.

RESOLVED FURTHER THAT in relation to the Issue, the Board and the Committee of Directors be and is hereby authorized to issue and allot such number of Securities as may be required to be issued and allotted, including redemption or cancellation of any such Securities in accordance with the terms of the Issue in respect of the Securities or any subsequent amendment to the terms of the Issue as the Board may decide subsequent to the Issue and to exercise all powers relating to the Issue and all such equity shares to be issued pursuant to conversion of Securities shall rank *pari passu* with the then existing Equity Shares in all respects including dividend which shall be subject to relevant provisions of Memorandum of Association and Articles of Association of the Company and the applicable laws and regulations including any rules and regulations of any Stock Exchanges except as provided otherwise under the terms of Issue and in the offer document / offer letter / offering circular and / or listing particulars.

RESOLVED FURTHER THAT in addition to all the Applicable Laws, the Issue of Securities in pursuance of this Resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where the Securities are listed or proposed to be listed or that may in any other manner apply to such Securities or provided in the terms of their Issue.

RESOLVED FURTHER THAT the Board and the Committee of Directors be and is hereby authorized to finalize and approve the offering circular / offer letter/ depository agreement/ any other agreement for the proposed issue of the Securities and to authorize any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with the authority to amend, vary or modify the same as such authorized persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorized person, be required from time to time, and to arrange for the submission of the offering circular /offer letter/ depository agreement and any amendments and supplements thereto with any applicable stock exchanges (whether in India or abroad), government, statutory and regulatory authorities, institutions or bodies, as may be required and all such acts and deeds that are necessary to comply with the terms and conditions subject to such approval/s, sanction/s, permission/s, consent/s etc. would be provided by the Stock Exchange(s), SEBI, FIPB, RBI and any other Government Authority.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board and the Committee of Directors, wherever required, in consultation with the lead managers and/or other advisors, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to terms and conditions for issuance of Securities including

number of Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deemed expedient, entering into an executing arrangement for managing, underwriting, marketing, listing, trading and providing legal advice as well as acting as registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent custodian, depository banker, lead manager, arranger, underwriter and executing other agreements, including any amendments, supplements thereto, as necessary or appropriate and to finalize, approve and issue any document(s), including but not limited to finalization and approval of the preliminary as well as final offer document(s), letter of offer, determining the form and manner of the Issue, including the selection of qualified institutional buyers and other Investors under the applicable laws to whom the Securities are to be offered, issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue or conversion of the Securities if any, rate of interest, and matters related thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board and the Committee of Directors be and is hereby authorized to appoint lead managers, guarantors, depositories, custodians, registrars, stabilizing agents, trustees, bankers, lawyers, advisors and all such professionals or agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on the stock exchange(s) and the Equity Shares to be issued on conversion of the Securities as set forth in the aforesaid resolution, if any, on the Stock Exchange(s), authorising any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any of the terms or combinations of the terms in accordance with the prevalent market practice including but not limited to terms and conditions relating to dividend, premium at the option of the Company and /or holders of any Securities including terms or issue of additional equity shares or variations of the price or period of conversion of Securities into equity shares or issue of equity shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities.

Provided that the issue of all equity shares referred to above shall rank pari passu with the existing Equity Shares of the Company in all respects.”

By order of the Board
for Hinduja Foundries Limited

Place : Chennai
Date : January 25, 2016

S. Venkatasubramanian
Company Secretary

Notes

1. The explanatory statement pursuant to Section 102 of the Act stating all material facts and the reasons for the proposed resolution is annexed herewith.
2. The 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 January 29, 2016. The 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 Share Transfer Agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the 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 January 29, 2016 will be considered for the purpose of voting.
4. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will 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/secretarial@hindujafoundries.com. The Registrar and Share 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 January 29, 2016.
8. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on all resolutions through the e-voting service facility arranged by NSDL. The instructions for electronic voting are annexed to this 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 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. 17:30 Hours IST) on March 5, 2016. 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 17:30 Hours IST on March 5, 2016, it will be considered that no reply from the Member has been received.
11. The Scrutinizer will submit her report to the Chairman after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or Managing Director or any Director of the Company duly authorized, on or before March 8, 2016 at the Corporate Office at No.477-482, Anna Salai, Khivraj Complex II, 7th Floor, Nandanam, Chennai – 600 035 and will also be displayed on the Company website (www.hindujafoundries.com), besides being communicated to the Stock Exchanges, Depository, Registrar and Share Transfer Agent on the said date.
12. The date of declaration of results of the postal ballot i.e. on or before March 8, 2016, shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
13. All the material documents referred to in the explanatory statement will be available for inspection at the Company's office in Chennai during office hours on all working days from the date of dispatch of the Notice till March 5, 2016.

Voting through electronic means

In compliance with Clause 35B of the Listing Agreement with the Stock Exchange read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching 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 Board resolution / 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, with a copy marked to 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 Forms, 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 a. to l. mentioned 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.
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 February 5, 2016 (9:00 Hours IST) and ends on March 5, 2016 (17:30 Hours IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the relevant date i.e. January 29, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. 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 relevant date i.e. January 29, 2016.

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

ITEM NO. 2 AND 3

The present authorized and paid up share capital of the Company is as follows:

Equity / Preference shares	No. of shares	Authorized Capital	Subscribed and Paid Up capital
Equity Shares	200,000,000 Equity shares of Rs.10/- each	Rs.200 Crores	Rs.73 Crores
Preference Shares	35,000,000 Preference shares of Rs.100/- each	Rs.350 Crores	Rs.321 Crores
TOTAL		Rs.550 Crores	Rs.394 Crores

To enable the Board of Directors to have the flexibility of issuing either equity or preference capital, it is proposed to increase the Authorised Capital by an addition 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- each aggregating to Rs. 50,00,00,000 (Rupees Fifty Crores only) and 4,00,00,000 (Four Crores) Preference Shares of Rs. 100/- each aggregating to Rs.400,00,00,000 (Rupees Four Hundred Crores only).

Any increase in Authorised Capital requires amendment to the capital clause of Memorandum of Association and alteration of the Articles of Association by way of Special Resolution. The Special Resolutions proposed for amendment of Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company are to be approved by the shareholders by way of Postal Ballot.

Hence the Board of Directors recommends the above resolutions for the consideration and approval of the members through Postal Ballot.

A copy of the Memorandum of Association and Articles of Association is available for inspection by the members during office hours at the Registered Office of the Company on any working day up to the date of the meeting.

None of the Directors or Key Management Personnel except Mr. Dheeraj G. Hinduja as a director of Hinduja Automotive Limited, UK is deemed to be concerned or interested in the resolution.

ITEM NO. 4

In the quarterly financial statements filed by the Company with the stock exchanges for the quarter ended September 30, 2015, the Company has reported net worth of Rs. 6,530 Million (Indian Rupees Six Thousand Five Hundred and Thirty Millions) against accumulated losses of Rs. 9,440 Million (Indian Rupees Nine Thousand Four Hundred and Forty Millions). Operation of the Company has been incurring loss continuously owing to depressed market conditions coupled with steep increase in operating costs, borrowing costs etc. This could result in possible erosion of Net Worth at the end of the financial year ending March 31, 2016 necessitating the Company to be classified as a "sick company" under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

In order to make the net worth positive as part of rehabilitation measures and to strengthen the capital base to ensure long term stability in the operations of the Company, the Company is considering infusion of funds and proposes to raise funds by issue of Securities whether denominated in any foreign currency or Indian Rupees, in the course of international and/ or domestic offering(s) in one or more foreign markets, and such issue and allotment may be made in one or more tranches from time to time, on such terms and conditions and at such time that the Board may, in its absolute discretion, deem fit and appropriate at the time of such issue or allotment of Securities or GDRs.

This Special Resolution enables the Board of Directors and or the Committee to undertake an issue of Global Depository Receipts ("GDRs") or Singapore Depository Receipts ("SDRs") without any voting rights as per the provisions of Depository Receipt Scheme, 2014 and other applicable provisions, which are convertible into Equity Shares at later date for an aggregate amount not exceeding Rs. 4,00,00,00,000 (Rupees Four Hundred Crores only), in one or more currencies, if any, in one or more tranches as the Board of Directors or the Committee of Directors of the Company may determine inclusive of such premium as may be fixed on the Securities or GDRs by offering the Securities or GDRs, at such price or prices, at a permissible discount or premium to market price or prices permitted

under applicable laws to any eligible investors including entities forming part of promoter, promoter group or any other group company and whether they be holders of the Equity Shares of the Company or not.

The Board of Directors or the Committee may adopt any of the above mentioned mechanism, as per applicable rules and regulations in order to meet its capital expenditure needs of the existing/future projects of the Company and to meet any exigencies, for working capital requirements, for general corporate expenses etc. as permitted under, applicable laws and regulations, including the RBI regulations, without the need for fresh approval from the share holders. Pricing of the Securities to be issued as the depository receipts shall be determined by the Board of Directors and/or Committee, subject to such a price not being less than the price calculated in accordance with the provisions of the DR Scheme and the circulars issued by the Ministry of Finance (Department of Economic Affairs) the policy framework as announced by the DIPP and the terms of the offering and in terms of the other applicable statutes / regulations from time to time.

The Special Resolution also enables the Board of Directors and/or Committee to issue Securities in tranches, at such times and from time to time, at such prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board of Directors and/or the Committee deems fit.

Securities, as per the applicable laws, may be listed on stock exchanges outside India and/ or stock exchanges in India where equity shares of the Company are listed. The equity shares issued and allotted upon exercise of the option of conversion of the Securities shall be listed on the Stock Exchanges where the Company's equity shares are listed in India.

The details terms and conditions for the Issue will be determined by the Board of Directors and/or Committee in consultation with the lead managers and such other authorities as may be required considering the market conditions and in accordance with the applicable provisions of law.

The issue of Securities with underlying equity shares involves issue of equity shares, consent of the members is being sought pursuant to the provisions of Section 62 of the Companies Act, 2013 by a Special Resolution.

The Special Resolution seek the consent and authorization of the members to the Board of Directors / Committee to make the proposed Issue of Securities, in consultation with the lead managers, advisors, other intermediaries and in the events it is decided to issue GDRs and/or SDRs convertible into Equity Shares, to issue to holders of such GDRs and/or SDRs in such manner and such number of Equity Shares on conversion as may be required to be issued in accordance with the terms of the Issue, keeping in view the prevailing market conditions in accordance with the applicable rules, regulation and guidelines.

The approval of the members on the said resolution, shall be obtained by the way of voting by Postal Ballot in terms of provisions of Section 110 of the Companies Act, 2013, read with the applicable rules and the provisions of the Companies (Passing of resolutions by Postal Ballot) Rules, 2011.

Your Board recommends the acceptance of the resolutions as set out in Item No. 4 of the Notice of the Meeting.

The Promoters namely Hinduja Automotive Limited, UK and Hinduja Foundries Holding Mauritius Limited, Mauritius and entities forming part of Promoter Group of the Company as per the applicable rules and regulations may subscribe to GDRs/ SDRs.

None of the Directors or Key Management Personnel except Mr. Dheeraj G. Hinduja as a director of Hinduja Automotive Limited, UK is deemed to be concerned or interested in the resolution.

By order of the Board
for Hinduja Foundries Limited

Place : Chennai
Date : January 25, 2016

S. Venkatasubramanian
Company Secretary