

**PENNAR INDUSTRIES LIMITED**

Regd. Office: Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500084

Tel No. 40 4006 1621, E-Mail ID : corporatecommunications@pennarindia.comWebsite: www.pennarindia.com, CIN No. L27109AP1975PLC001919**NOTICE OF POSTAL BALLOT***[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies**(Management and Administration) Rules, 2014]*

Dear Shareholder(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), Clause 35B of the Equity Listing Agreement and other applicable laws and regulations, that the resolution appended below, in relation to :

Approval for Investments / Loans / Guarantees / Securities, is proposed to be passed by the Members through postal ballot / electronic voting (e-voting).

The proposed resolution along with the explanatory statement setting out the material facts and reasons thereto, are appended below and a Postal Ballot Form is enclosed for your consideration.

The Board of Directors of the Company has appointed Mr. S Chidambaram, Practicing 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. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 17:30 Hours (IST) on 30th December, 2015.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through electronic means' in this Notice.

The duly authorised Scrutinizer will submit his report to the Chairman or any other Director of the Company after the completion of the scrutiny of the postal ballots (including e-voting). The result of postal ballot (including e-voting) shall be declared on or before 6th January, 2016 and communicated to the Stock Exchanges, the Depository and the Registrar and Share Transfer Agent and would also be displayed on the Company's website at www.pennarindia.com.

Item No # 1 Approval for Investments / Loans / Guarantees / Securities

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

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 (the "Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary and provisions of other applicable laws, consent of the Shareholders be and is hereby accorded and is deemed to have been accorded with effect from 1st April, 2014 to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any person(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to (a) give any

loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, subject to the limits set out below on such terms and conditions as the Board may deem fit and proper, notwithstanding the fact that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company as set out below exceed the limits specified under Section 186(2) of the Act:

Amount in Rs. Crores

Sl No.	Particulars	Upto a limit outstanding at any point of time
1.	Loans to any person(s) (including employees) or bodies corporate	30
2.	Investments in bodies corporate	85
3.	Guarantees / securities in connection with loan to any person(s) (including employees) or bodies corporate	425
	Total	540

“RESOLVED FURTHER THAT to give effect to this resolution, the Board be and is hereby authorised to execute the documents, deeds or writings required to be made and to do all acts, deeds and things as it may in its absolute discretion deem necessary, proper or desirable, including to settle any question, difficulty or doubt that may arise in respect of such investments/ loans/ guarantees/ securities made or given or provided by the Company (as the case may be).”

for Pennar Industries Limited

Date: 09.11.2015

Place: Hyderabad

Sd/-

Mirza Mohammed Ali Baig

Company Secretary & Compliance Officer

M. No. ACS 29058

NOTES

1. The statement pursuant to Section 102 of the Companies Act, 2013, stating all material facts and the reasons for the proposals set out above is annexed herewith.
2. The Notice is being sent to all the Members whose names would appear in the Register of Members / Record as on Friday, the 20th November, 2015. Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of members as on Friday, 20th November, 2015.

3. The dispatch of the Postal Ballot Notice and the Explanatory Statement shall along with the details as required under Rule 18(3)(v) and Rule 22(3) of the Companies (Management and Administration) Rules 2014 be announced through an advertisement in at least 1 (one) English newspaper and at least 1 (one) Telugu newspaper, each with wide circulation in Hyderabad, where the registered office of the Company is situated, and published on the Company website. The dispatch of the Postal Ballot Notices will be completed by 01.12.2015. The voting through Postal Ballot/e-voting will commence on 01.12.2015 at 09.00 A.M. and ends on 30.12.2015 at 05:30 P.M.
4. In accordance with the provisions of the Companies Act, 2013, read with Rules 18 and 22 of the Companies (Management and Administration) Rules, 2014, the Postal Ballot Notice is being sent by email to those Members who have registered their email addresses with their Depository Participants (in case of shares held in demat form) or with the Company's Registrar and Share Transfer Agent (in case of shares held in physical form). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode (i.e. through registered or speed post or through courier), along with a postage-prepaid self-addressed Business Reply Envelope.
5. In compliance with Clause 35B of the Listing Agreement 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 M/s. Karvy Computershare Private Limited (Karvy) for the purpose of providing e-voting facility to all its Members. Please note that e-voting is an alternate mode to cast votes and is optional.
6. Members holding shares in physical form should inform the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited of any change in their registered address, mandate/bank details/e-mail address. Similarly, Members holding shares in electronic form should inform their Depository Participants (DP) of any change in their registered address, mandate/bank details/e-mail address. The shares of the Company are under compulsory demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and for their convenience.
7. The Board of Directors of the Company has appointed Mr. S Chidambaram, Company Secretary in Practice, Hyderabad as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the Members. After completion of his scrutiny, the Scrutinizer will submit his report to the Chairman/Managing Director of the Company.
8. The Resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman/Managing Director of the Company, if the result of the Postal Ballots indicates that the requisite majority of the Shareholders had assented to the Resolutions. The result of the Postal Ballot will be declared on 06.01.2016 at the Registered Office of the Company. After declaration, the results of the Postal Ballot along with the scrutinizers report will be placed on the Company's website www.pennarindia.com and will also inform the same to the Stock Exchanges where the shares of the Company are listed.

SPECIAL APPEAL

As a part of Company's "GREEN INITIATIVE" The Company requests its Members to register their email id with Depository Participant (DP), with whom the demat account is maintained or send the duly filled form either to the Registered Office of the Company at 3rd Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500084 or to our Registrars and Transfer Agent (RTA) i.e. M/s. Karvy Computershare Private Limited at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or email to corporatecommunications@pennarindia.com.

Registration Form is enclosed and is also available on website of the Company www.pennarindia.com. The Members, whose email id is already registered, please ignore the same.

Voting through electronic means:

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 Karvy 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 'Pennar Industries Limited 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 by typing the following URL: <https://evoting.karvy.com>
 - c. Click on Shareholder - Login.
 - d. Enter the user ID and password (the initial password noted in step (a) above). Click on the Login.
 - e. The Password change menu will appear. Change the password to a password of your choice. The new password should comprise of a minimum of 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, e-mail etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. 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 Pennar Industries Limited.
 - h. On the voting page, enter the number of shares as on the cut off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
 - i. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folio demat account.
 - j. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
 - k. Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - l. Once you have voted on a resolution, you will not be allowed to modify your vote.
 - m. 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 / signatories who are authorized to vote, to the Scrutinizer at e-mail id schid285@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned document should be in the naming format "Corporate Name_EVEN NO".

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. In case of Members receiving physical copy of the Notice of Postal Ballot :
 - Launch internet browser by typing the URL:<https://evoting.karvy.com>
 - Enter the login credentials (i.e. User ID and password). If you are logging in for the first time, please enter the User ID and password mentioned in the Postal Ballot Form. After entering these details appropriately, click on "LOGIN".
 - b. Please follow all the steps from e. to k. mentioned above, to cast your vote successfully.
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 <https://evoting.karvy.com> or contact Karvy on telephone No.18003454001 (toll free) or (040) 44655000.
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 Karvy for e-voting, then you can use your existing user ID and password for casting your vote.
6. The e-voting period commences on 1st December, 2015 (9:00 A.M.) and ends on 30th December, 2015 (5:30 P.M.). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the relevant date, i.e. 20th November, 2015, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by a Member, he or she will not be allowed to change it subsequently.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013
forming part of the Notice of Postal Ballot**

Prior to 1st April, 2014, the Company had been making investments in and providing guarantees/securities in connection with loans to its subsidiaries from time to time in compliance with the applicable provisions of the Companies Act, 1956 (the "Old Act").

Section 186 of the Companies Act, 2013 (the "Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 (the "Rules") (as amended) has been brought into force with effect from 1st April, 2014 and consequently, the corresponding Section 372A of the Old Act in relation to inter corporate loans and investments has been repealed. Section 186(2) of the Act provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Section 186(3) of the Act read with Rule 13 of the Rules provides that where the aggregate of the loans and investments so far made and the amount for which guarantees or securities so far provided to or in all other bodies corporate along with the investment, loan, guarantee or security proposed to be made or given by the Board of Directors (the "Board") of a company exceed the limits specified under Section 186(2) of the Act, no investment or loan is permitted to be made or given or guarantee/security permitted to be provided unless previously authorised by a Special Resolution.

In this regard, it may be noted that (a) investments/ loans/ guarantees/ securities made or given or provided by the company (as the case may be) to its wholly owned subsidiaries; and (b) loans given or guarantees or securities provided to or on behalf of persons (not being bodies corporate), were exempt from the provisions of Section 372A of the Old Act and were not required to be considered while computing the total investments made, loans given and guarantees and securities provided by a company for the purposes of calculating the limits specified under Section 372A of the Old Act. However, the above mentioned exemptions are no longer available under Section 186 of the Act and therefore, for the purposes of calculating the limits specified under Section 186(2) of the Act, the investments/ loans/ guarantees/ securities made or given or provided to the wholly owned subsidiaries (as the case may be) and to other persons (not being bodies corporate) are also required to be taken into consideration. Notwithstanding the above, it may be noted that as per Rule 11(1) of the Rules, no approval of the Shareholders is required if a company gives loans/ guarantees or provides securities to its wholly owned subsidiary company or a joint venture company or makes investments in the securities of its wholly owned subsidiary company, in excess of the limits specified under Section 186(2) of the Act.

As per the latest audited balance sheet of the Company as at 31st March, 2015, sixty per cent of the paid-up share capital, free reserves and securities premium account is equal to Rs. 181.46 crores while one hundred per cent of its free reserves and securities premium account is equal to Rs. 239.49 crores. Therefore, the maximum limit available to the Company under Section 186(2) of the Act for making investments or giving loans or providing guarantees/ securities (as the case may be) is Rs. 239.49 crores. Further, as on date, the aggregate of investments/loans/Guarantee/Security made/ given by the Company (as the case may be) is approximately Rs. 252.59 crores. This includes investments and loans of Rs. 22.77 crores made or given by the Company (as the case may be) to its subsidiaries. Therefore, the aggregate of investments and loans made or given by the Company (as the case may be) along with the investments, loans, guarantees or securities proposed to be made or given or provided by the Company is in excess of the limits for the Company (i.e. Rs. 239.49 crores) as specified under Section 186(2) of the Act.

In view of the above, approval of Shareholders through Postal Ballot is sought with effect from 1st April, 2014 for making investments or giving loans or guarantees or providing securities (as specified in the Special Resolution) in excess of the limits specified under Section 186(2) of the Act. The Directors recommend the resolution for approval of Shareholders by means of Postal Ballot.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except Mr. Nrupender Rao, Mr. Aditya Rao and Mr. K Lavanya Kumar is concerned or interested in the aforesaid special resolution except to the extent of their directorships and shareholding in the bodies corporate in which investments may be made or loans/ guarantees may be given or securities may be provided pursuant to this Special Resolution.

for Pennar Industries Limited

Sd/-

**Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
M. No. ACS 29058**

Date: 09.11.2015

Place: Hyderabad

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PENNAR INDUSTRIES LIMITED

Registered Office: Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500 084

CIN: L27109AP1975PLC001919 Tel No.:+91 40 4006 1621

e-Mail ID: corporatecommunications@pennarindia.com Website: <http://www.pennarindia.com>

POSTAL BALLOT FORM

(Please read instructions carefully before completing this form)

Serial No. : «SLNO»

1. Name and Registered address of the Sole/first named : «HOLDER»
«HOLDER_ADD»
«HOLDER_AD1»
«HOLDER_AD2»
«HOLDER_AD3»
«CITY»
«HOLDER_PIN»
2. Name(s) of the joint shareholder(s) if any : «SECOND» / «THIRD»
3. Registered Folio/DPID and Client ID No : «DPID» / «HOLDER_FOL»
4. No. of shares held

E-VOTING

Users who wish to opt for E-voting may use the following login credentials.

EVS (E-Voting Sequence Number)	USER ID	PASSWORD/PIN

Please follow steps for E-Voting procedure given in the Postal Ballot Notice or by logging on to:
<https://evoting.karvy.com>

IN LIEU OF E-VOTING

I/We hereby exercise my / our vote in respect of the Special Resolution to be passed through postal ballot for the business stated in the Notice dated 9th November, 2015 of M/s. Pennar Industries Limited (the company), by conveying my/our assent or dissent to the said resolution by placing a tick mark in the appropriate box below:

Item No.	Description	No. of Equity Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Special Resolution making investments in excess of the limits prescribed under Section 186(2) of the Companies Act, 2013.			

Place:

Signature of shareholder

Date:

NOTE: Members who do not have access to e-voting facility may send the Postal Ballot Form (*In lieu of E-voting*) duly completed. Kindly read the annexed instructions before filling the Form. Valid Postal Ballot Forms received by the Scrutinizer by 5.30 P.M., on 30th December, 2015 shall only be considered.

INSTRUCTIONS

1. Members desiring to exercise their vote by physical Postal Ballot Form should return the said Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer. 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. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope.
2. The duly completed Postal Ballot Form(s) should reach the Scrutinizer reach by 5:30 P.M., on 30th December, 2015 to be eligible for being considered, failing which, it will be strictly next named Member.
3. Unsigned, incomplete, improperly or incorrectly ticked Postal Ballot Forms shall be rejected.
4. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on 20th November, 2015 whether voting electronically or physically.
5. A Member cannot exercise his / her vote by proxy on postal ballot.
6. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send a request to M/s. Karvy Computershare Private Limited, Unit :Pennar Industries Limited, C/o M/s. Karvy Computershare Private Limited, Unit: M/s. Pennar Industries Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakaramguda, Seriligampalli, Hyderabad - 500 032. The Registrar and Transfer Agent of the Company shall forward the same along with postage prepaid self-addressed Business Reply Envelope to the Member.
7. 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 physical postal ballot forms will be treated as invalid. The instructions for electronic voting are annexed to this Notice.
8. The Scrutinizer will submit his report to the Chairman/Managing Director after the completion of scrutiny of the postal ballots including e-voting. The result of the voting by postal ballot will be announced by the Chairman or any Director of the Company duly authorized, on or before 6th January, 2016 at the registered office of the Company and will also be displayed on the website of the Company (www.pennarindia.com), besides being communicated to the Stock Exchanges on the said date.
9. 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.
10. The date of declaration of results of the postal ballot shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
11. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Notice till 30th December, 2015.

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PENNAR INDUSTRIES LIMITED

Regd. Office: Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500084
Tel No. 40 4006 1621, E-Mail ID : corporatecommunications@pennarindia.com
Website: www.pennarindia.com, CIN No. L27109AP1975PLC001919

e-Mail Communication Registration Form

1.	Registered Folio No. / DP ID No. & Client ID No. (applicable to investors holding shares in electronic form)	
2.	Name & Address of the Sole/ First named Shareholder as registered with the Company	
3.	Name(s) of the joint Shareholder(s), if any, registered with the Company	
4.	Registered Address	
5.	e-mail Id (to be registered)	

I/We shareholder(s) of M/s. PennarIndustries Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail id in your records for sending communication through e-mail. This form can also be downloaded from the official website of the Company viz www.pennarindia.com.

Date:

Place:

Signature:

Note:

Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.