

**BANNARI AMMAN SUGARS LIMITED**

Regd. Office : 1212, Trichy Road Coimbatore 641 018 Tamilnadu India
Phone : 91 - 422 - 2302277 Fax : 91 - 422 - 2309999 E-Mail : bascbe@vsnl.com

SEC/CHN/075/2012

//BY COURIER//

14.9.2012

National Stock Exchange of India Limited

"Exchange Plaza"

Plot No.C/1, 6 Block

Bandra-Kurla Complex

Bandra (East)

Mumbai 400 051

NSE CODE: BANARISUG
ISIN NO. : INE459A01010

Dear Sirs,

We send herewith three copies of the Notice sent to shareholders pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for your records.

Thanking you

Yours faithfully

for BANNARI AMMAN SUGARS LIMITED


for COMPANY SECRETARY

Encl: As above.

**BANNARI AMMAN SUGARS LIMITED**

Registered office : 1212, Trichy Road, Coimbatore - 641 018

Notice pursuant to Section 192A of the Companies Act, 1956

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that the resolutions appended below are proposed to be passed as Ordinary Resolutions by way of Postal Ballot. Members' consent is requested for the proposals contained in the Resolutions appended below. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form.

Creation of Charges on the current/movable and immovable properties of the Company, both present and future, to secure the borrowings.

To consider and, if thought fit, to pass with or without modification, the following Resolutions as Ordinary Resolutions:

"RESOLVED that pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on current assets/movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company on certain events, in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments, to secure rupee/foreign currency loans and/or the issue of debentures/bonds whether partly/fully convertible or non-convertible and/or any other type of securities (hereinafter collectively referred to as "Loans") together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable in respect of the said loans upto an aggregate amount not exceeding Rs.1,000 crores (Rupees One Thousand Crores) or the aggregate of the paid up capital and the free reserves of the Company, that is to say, reserves not set apart for any specific purpose at relevant time whichever is higher".

"RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

Place : Coimbatore
Date : 6.8.2012

By Order of the Board of Directors
C Palaniswamy
Company Secretary

NOTES

1. An explanatory statement as required under Section 173 of the Companies Act, 1956 in respect of the business specified above is annexed hereto.
2. In terms of Section 192A of the Companies Act, 1956 read with the Postal Ballot Rules, the items of business set out in the Notice above are sought to be passed by Postal Ballot.
3. The Board of Directors has appointed Sri C Thirumurthy, Practicing Company Secretary, Coimbatore as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. The shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on or before 1.10.2012. Any Postal Ballot Form received after this date shall be treated as if the reply from the shareholders has not been received.
5. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Shareholders who do not receive the Postal Ballot Form may apply to the Company and obtain a duplicate thereof. Facility of voting through electronic mode is not being provided by the Company.
6. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms.
7. The results of the Postal Ballot will be announced by the Chairman of the Company on or before 5.10.2012 at the Registered Office of the Company at 1212, Trichy Road, Coimbatore 641 018 and will also be informed to the stock exchanges, hosted on the Company's website www.bannari.com and published in newspapers.
8. The Ordinary Resolutions mentioned above shall be declared as passed if the number of votes cast in its favour exceed the votes, if any, against the said Resolutions.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Section 293(1) (a) of the Companies Act, 1956 provides that the Board of Directors of a public company shall not, except with the consent of the company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company.

The members at the Annual General Meetings held on 19th September, 1991, 27th September, 1993, 22nd January, 1996 and 27th September, 1999 had accorded their consent to the Board of Directors for creation of charge/mortgage etc., in respect of the properties pertaining to sugar units situated at Alathukombai Village in Tamilnadu and Alaganchi Village in Karnataka. Thereafter, the company has acquired a sugar factory at Kunthur village, Kollegal Taluk in Karnataka and established a sugar factory at Kolundampattu Village, Thiruvannamalai District in Tamilnadu. The company has also established co-generation facilities in its Sugar factories situate at Alathukombai and Kolundampattu villages in Tamilnadu and in the sugar factory at Nanjangud, Karnataka. Hence, it has become necessary to borrow more funds to meet long term working capital and other requirements from time to time. The borrowings of the company may, if necessary, be secured by way of hypothecation/charge/mortgage on the company's assets in favour of lenders/holders of securities/trustees for the holders of securities as mentioned in the resolutions.

The above proposals are in the interest of the Company. Hence, the Directors proposed the Resolutions for the approval of Members.

None of the Directors is interested in the Resolutions.

Place : Coimbatore
Date : 6.8.2012

By Order of the Board of Directors
C Palaniswamy
Company Secretary