



Hinduja Foundries Limited

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

NOTICE is hereby given that an Extra-ordinary General Meeting of the members of M/s. Hinduja Foundries Limited will be held on Wednesday, July 04, 2012 at 10.00 AM at Sri Thyaga Brahma Gana Sabha (Vani Mahal), 103 G N Chetty Road, T.Nagar, Chennai – 600 017 to transact the following business:

SPECIAL BUSINESS:

1. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution :**

“RESOLVED that pursuant to Section 94(1) and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby accorded to alter the Authorized Share Capital of the Company from Rs.95,00,00,000 (Rupees Ninty Five Crores only) divided into 5,00,00,000 (Five Crores Only) Equity Shares of Rs.10/- each and 45,00,000 (Forty Five Lakhs Only) Redeemable Preference Shares of Rs.100/- each to Rs.550,00,00,000 (Rupees Five Hundred and Fifty Crores only) divided into 20,00,00,000 (Twenty Crores only) Equity Shares of Rs.10/- each and 3,50,00,000 (Three Crore Fifty Lakhs Only) Redeemable Preference Shares of Rs.100/- each”.

2. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

“RESOLVED that the Memorandum of Association of the Company be amended in the following manner:

The existing Clause V of the Memorandum of Association be and is hereby deleted and in its place the following be and is hereby substituted as Clause V.

V. The Authorized Share Capital of the Company is Rs. 550,00,00,000 (Rupees Five Hundred and Fifty Crores only) divided into 20,00,00,000 (Twenty Crores only) Equity Shares of Rs.10/- each and 3,50,00,000 (Three Crores Fifty Lakhs only) Redeemable Preference Shares of Rs.100/- each.

The Company has 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 preference 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”.

3. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

“RESOLVED that the Articles of Association of the Company be amended in the following manner:

Pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and in its place the following be and is hereby substituted as Article 3.

3. The Authorized Share Capital of the Company is Rs. 550,00,00,000 (Rupees Five Hundred and Fifty Crores only) divided into 20,00,00,000 (Twenty Crores only) Equity Shares of Rs.10/- each and 3,50,00,000 (Three Crores Fifty Lakhs only) Redeemable Preference Shares of Rs.100/- each”.

4. **To consider and if thought fit to pass with or without modification(s), the following Resolution as a Special Resolution.**

“RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) for the time being in force read with the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges and regulations/rules/guidelines issued by the Securities and Exchange Board of India (herein after referred to as “SEBI”), Reserve Bank of India, Stock Exchanges and /or such approvals, permissions, sanctions and consents as may be necessary and required under applicable laws, rules, regulations and contracts,

and on such terms, conditions, alterations, modifications, approvals, permissions, sanctions and consents, which may be accepted by the Board of Directors of the Company, as the case may be, the consent of the Company be and is hereby accorded to the Board of Directors (which term shall include any duly constituted and authorized committee thereof) to create, issue/offer, allot and deliver in one or more tranches on a private placement and / or preferential basis not exceeding 3,00,00,000 (Three Crores only), 9% Redeemable, Non Convertible, Cumulative Preference Shares of Rs.100 (Rupees Hundred Only) each of an aggregate nominal amount not exceeding Rs.300,00,00,000 (Rupees Three Hundred Crores only) in the aggregate out of the authorized capital of the Company to the Promoters of the Company”.

“RESOLVED FURTHER THAT the said preference shares so issued shall rank pari-passu in all respects with the existing preference shares of the Company”.

“RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the said preference shares of the Company, as aforesaid, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the said preference shares of the Company as it may, in its absolute discretion, deem fit and proper”.

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 2 to 4 of the Notice is annexed hereto.

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

ITEM NO. 2 AND 3

The present Authorized Share Capital of the Company is Rs.95,00,00,000 divided into 5,00,00,000 Equity Shares of Rs.10/- each and 45,00,000 Redeemable Preference Shares of Rs.100/- each. The present paid up capital is Rs.50,39,73,710 comprising of 2,87,30,711 Equity Shares of Rs. 10/- each aggregating to Rs. 28,73,07,110 and 25,00,000, 6% Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100/- each and outstanding for redemption aggregating to Rs. 21,66,66,600.

The Board of Directors propose to issue 3,00,00,000, 9% Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100/- aggregating to Rs.300,00,00,000 . Further at a later date, the Company may issue, equity shares on rights or such other basis as may be decided by the Board of Directors. This can be done only after increasing the Authorized Capital to Rs.550,00,00,000 comprising of 20,00,00,000 Equity Shares of Rs.10/- each and 3,50,00,000 Redeemable Preference Shares of Rs.100/- each.

The Special Resolutions proposed for alteration of Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company are required to enable the above proposal to be implemented. Hence the resolution No 2 and 3 is placed for consideration of the members.

A copy of the Memorandum 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 are concerned / interested in this resolution.

**By Order of the Board
For HINDUJA FOUNDRIES LIMITED**

**Date : 15.05.2012
Place : Chennai**

**B.SWAMINATHAN
Managing Director**

ITEM NO . 4

Your Company is facing many business challenges and the Board considers it necessary to strengthen the capital of the Company in order to successfully get over these challenges. The operations of the Company was adversely affected due to steep increase in input costs, increased borrowing costs, exceptional items on account of voluntary retirement and other settlement arrangements with the employees, incremental power costs to mitigate continuing power cuts / power holiday situation and price increase from customers not adequately compensating costs incurred. The adverse situations had also significantly affected the gearing of the Company with unsustainable level of debt.

To ensure long term stability in the operations of the company, the Company proposes to issue 9%, Redeemable, Non-Convertible, Cumulative Preference Shares aggregating Rs.300 Crores to the Promoters of the Company.

As per Section 81(1A) of the Companies Act, 1956 when a Company proposes to increase the subscribed share capital by allotment of further shares, then, such further shares shall be offered to the existing shareholders proportionately. Irrespective of the above, Section 81(1A) provides that further shares as aforesaid may be offered to any person(s), if a Special resolution to that effect is passed by the Company at a general meeting.

The Board of Directors have considered it expedient to make the issue of preference shares on a private placement basis to the promoters to ensure full subscription, to minimize the cost of issue and raise the required funds in the shortest time.

Accordingly, the proposed issue of Redeemable, Non Convertible, Cumulative Preference Shares on private placement and / or preferential basis to the Promoters of the Company requires approval of members by a Special resolution.

The resolution set out in the notice seeks to confer authority on the Board of Directors to raise and allot 9% Redeemable, Non-Convertible, Cumulative Preference Shares of an amount not exceeding Rs.300 Crores to the Promoters of the Company on such terms and conditions as the Board or the Committee constituted for this purpose may determine in this regard.

None of the Directors except Directors of the allottee Promoter Companies are deemed to be concerned or interested in the resolution.

The resolution is submitted to the meeting for approval.

**By Order of the Board
For HINDUJA FOUNDRIES LIMITED**

**Date : 15.05.2012
Place : Chennai**

**B.SWAMINATHAN
Managing Director**

Book Post

If Undelivered - Please Return to :
Integrated Enterprises (India) Limited.
2nd Floor, Kences Towers, No. 1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai - 600 017.