



PENNAR INDUSTRIES LIMITED

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF PENNAR INDUSTRIES LIMITED HELD ON MONDAY, JUNE 10, 2013 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT DHFLVC, SILICON TOWERS, KONDAPUR, HYDERABAD, ANDHRA PRADESH.

"RESOLVED THAT in accordance with the provisions contained in Article 24 of the Articles of Association of the Company, Section 77A, 77AA, 77B and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as **"the Act"**) and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any amendments, statutory modification(s) or re-enactment, for the time being in force (hereinafter referred to as **"Buy-back Regulations"**) and such other approvals, permissions and sanctions as may be prescribed and / or any conditions imposed while granting such approvals, permissions and sanctions, the Board of Directors of the Company (herein after referred to as the Board which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), hereby accords its consent to purchase the Company's fully paid up equity shares of Rs.5/- each for an amount not exceeding Rs.1,000 lakhs (**Maximum Offer Size**), (being 3.60% of paid up equity share capital and free reserves of the Company as on March 31, 2013) for a price not exceeding Rs. 40/- per equity share (hereinafter referred to as **"Buy-back"**) from the shareholders of the Company under the Buy-back Regulations.

FURTHER RESOLVED THAT the number of shares to be bought back shall be subject to a minimum of 10,00,000 Equity Shares (**Minimum Offer Shares**) and a maximum of 40,00,000 Equity Shares (**Maximum Offer Shares**).

FURTHER RESOLVED THAT in compliance with Section 77A(2)(c) of the Companies Act, the maximum offer size proposed to be bought back constitute 3.60% of the total paid up equity share capital and free reserves as on March 31, 2013 (i.e., less than 25% as prescribed under Section 77A(2)(c) of the Companies Act).

FURTHER RESOLVED THAT the Company may implement Buy-back of its Equity Shares out of its free reserves, cash balances, internal accruals/operating cash flows and that the Buy-back shall be from the shareholders of the Company from the open market through Stock Exchanges in such manner as may be prescribed under the Act, the Buy-back Regulations and on such terms and conditions as the Board of Directors may deem fit.

FURTHER RESOLVED THAT the Board in its absolute discretion may decide to close the Buy-back at any time provided the Minimum Offer Shares have been purchased under the Buy-back even if the Maximum Offer Size has not been exhausted or the Maximum Offer Shares have not been bought back, by giving appropriate notice of such earlier date and completing all formalities in this regard as per relevant laws and regulations.

FURTHER RESOLVED THAT the Buy-back period shall in any case close at the end of twelve months from the date of this resolution.

FURTHER RESOLVED THAT Shri. R. Ravi, VP (Finance) & Company Secretary, be and is hereby appointed as the Compliance Officer for the proposed Buy-back.

FURTHER RESOLVED THAT the Board of Directors confirm with reference to the Buy-back process:

- (i) That the Company shall not purchase shares under the Buy-back from its promoters, promoter group, persons in control and persons acting in concert.

R. Ravi

Manufacturers of Cold Roll Formed Sections, Cold Rolled Steel Strips, Metal Crash Barriers, Pressed Components and Precision Tubes.

Corp. Office & Works : IDA, Patancheru - 502 319, Greater Hyderabad, Medak Dist. Andhra Pradesh, INDIA.

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- (ii) That the Company shall not issue or allot any Equity Shares including by way of bonus or convert any securities into Equity Shares, from the date of this resolution till the date of closure of this Buy-back.
- (iii) That in accordance with Section 77A(8) of the Act, the Company shall not issue fresh Equity Shares within a period of six months after the completion of Buy-back except by way of bonus shares or in discharge of subsisting obligations such as conversion of any outstanding securities.
- (iv) That the debt equity ratio of the Company after the Buy-Back will be well within the limit of 2:1 as prescribed under the Companies Act, 1956.
- (v) That the Company shall not Buy-back its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement.
- (vi) That there are no defaults subsisting in the repayment of Deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- (vii) That the Company shall maintain a register of the securities bought, the consideration paid for the securities bought-back, the date of cancellation of securities, the date of extinguishing and physically destroying of securities and such other particulars as may be prescribed in compliance with section 77A(9) of Companies Act, 1956.
- (viii) That the Company shall, after the completion of the buy-back file with the Registrar of Companies, Andhra Pradesh, Hyderabad and the Securities and Exchange Board of India, a return containing such particulars relating to the buy-back within thirty days of such completion
- (ix) That a sum equal to the nominal value of the shares purchased under Buy-back shall be transferred to the capital redemption reserve account referred to in clause (d) of the proviso to sub-section (1) of section 80 as per Section 77AA of the Companies Act, 1956 and details of such transfer shall be disclosed in the balance-sheet of the Company.
- (x) That the public announcement of the Buyback offer or any other advertisement, circular, brochure, publicity material, does and shall, contain true, factual and material information and shall not contain any misleading information and must state that the Board of directors of the Company accept the responsibility for the information contained in such documents.

FURTHER RESOLVED THAT the draft Public Announcement required to be made by the Company in accordance with the Buy Back Regulations, placed at the meeting and initialed by the Chairman for the purpose of identification (Public Announcement) be and is hereby approved and Shri. Nrupender Rao, Chairman, Shri Aditya Rao, Vice Chairman and Shri B Kamalaker Rao, Director be and are hereby jointly and/or severally authorized to sign the Public Announcement along with Shri. R. Ravi, VP (Finance) & Company Secretary.

FURTHER RESOLVED THAT nothing contained herein above shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to Buy-back any shares, and or impair any power of the Company or the Board to terminate any process in relation to such Buy-back as permissible by law.

FURTHER RESOLVED THAT the Buy-Back of shares from Non-Resident Shareholders, Overseas Corporate Bodies, Shareholders of foreign nationality etc. shall be subject to such approval of the Reserve Bank of India, if any, as may be required under the Foreign Exchange Management Act, 1999 or any other rules, guidelines framed by Reserve Bank of India.

FURTHER RESOLVED THAT Shri Nrupender Rao, Chairman, Shri Aditya Rao, Vice Chairman, Shri B Kamalaker Rao, Director and Shri. R. Ravi, VP (Finance) & Company Secretary be and are hereby jointly and/or severally authorized to sign all the forms, documents, applications, undertakings and such other documents and to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buy-back, including:-

A. Rao

1. The appointment of Merchant Bankers, Brokers, Lawyers, Registrars, Advertising Agency, and other Advisors, Consultants or Representatives;
2. Initiating of all necessary actions for issue of Public Announcement;
3. The filing of Public Announcement, Declaration of Solvency, certificate of extinguishment of shares and physical destruction of share certificates and all other documents required to be filed in connection with the Buy-back with Securities and Exchange Board of India/ Stock Exchanges/ Registrar of Companies, National Securities Depository Limited, Central Depository Services (India) Limited and other appropriate authorities;
4. The making of all applications to the appropriate authorities for their requisite approvals;
5. The opening, operation and closure of all necessary accounts such as Broking Account and Depository Account;
6. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back;
7. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper; and
8. To delegate all or any of the authorities conferred as above to any Officer(s)/Authorised Representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be felt necessary or as may be suggested by the appropriate authorities or advisors.

RESOLVED FURTHER THAT M/s. Akasam Consulting Private Limited be and are hereby approved to be nominated as the Manager to the Buy-Back and Shri Aditya Rao, Vice Chairman be and is hereby authorized to execute necessary documentation for their appointment on behalf of the Company, on such terms and conditions as may be agreed.

RESOLVED FURTHER THAT M/s. Karvy Stock Broking Limited be and are hereby approved to be nominated as the Registered Brokers and Shri Aditya Rao, Vice Chairman be and is hereby authorized to execute necessary documentation for their appointment on behalf of the Company, on such terms and conditions as may be agreed.

RESOLVED FURTHER THAT M/s. Karvy Computershare Private Limited, registrars to the Company, be and are hereby approved to be nominated as the Investors Service Centre for compliance with the Buy-Back Regulations and to redress grievances of the investors and Shri Aditya Rao, Vice Chairman be and is hereby authorized to execute necessary documentation for their appointment on behalf of the Company, on such terms and conditions as may be agreed.

FURTHER RESOLVED THAT the Common seal of the Company if required be affixed on such documents in the presence of any one of the following persons namely Shri Nrupender Rao, Chairman, Shri Aditya Rao, Vice Chairman, Shri B Kamalaker Rao, Director and Shri R. Ravi, VP (Finance) & Company Secretary, who shall sign the same in token thereof."

Place: Hyderabad

Date: 10.06.2013



R Ravi

V.P Finance & Company Secretary



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“RESOLVED THAT the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the following opinion:

- a) That immediately following the date of this Board Meeting, there will be no grounds on which the Company can be found unable to pay its debts.
- b) That as regards the Company's prospects for the year immediately following the date of this Board Meeting, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting.
- c) In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).
- d) That the debt equity ratio of the Company after the Buy-back will be within the limit of 2:1 as prescribed under the Act.”

RESOLVED FURTHER THAT the Board do obtain from the Company's statutory auditors, the report required in accordance with the provisions of the Act and the Buy-back Regulations.

Place: Hyderabad

Date: 10.06.2013

R Ravi

V.P Finance & Company Secretary

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"RESOLVED THAT in terms of Section 77A(6) of the Companies Act, 1956 read with Regulation 8(7) of the Buy-back Regulations, the Board hereby adopts the Statement of Assets and Liabilities in the prescribed Form 4A as at March 31, 2013 placed before them and authorises Shri Nrupender Rao, Chairman and Shri Aditya Rao, Vice Chairman to sign the same.

FURTHER RESOLVED THAT the said Statement of Assets and Liabilities be appended to the Declaration of Solvency to be filed with the Registrar of Companies, Andhra Pradesh, Hyderabad, Securities and Exchange Board of India, BSE Limited, The National Stock Exchange of India Limited and MCX Stock Exchange Limited.

FURTHER RESOLVED THAT as required under the provisions of Section 77A(6) of the Act and Regulation 8(7) of the Buy-back Regulations, the Declaration of Solvency along with Annexures thereof be and is hereby approved for filing with the Registrar of Companies, Andhra Pradesh, Hyderabad, Securities and Exchange Board of India, BSE Limited, The National Stock Exchange of India Limited and MCX Stock Exchange Limited after having it verified by an affidavit and that Shri Nrupender Rao, Chairman, and Shri Aditya Rao, Vice Chairman be and are hereby authorised to sign the same on behalf of the Board."

Place: Hyderabad

Date: 10.06.2013

R Ravi
V.P Finance & Company Secretary

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