



Ponni Sugars (Erode) Limited

(CIN : L15422TN1996PLC037200)

Regd. Office: ESVIN HOUSE: 13 Old Mahabalipuram Road Perungudi, Chennai - 600 096

Tel : 044 3927 9300; Fax: 044 24960156

email:admin@ponnisugars.com Website: www.ponnisugars.com

POSTAL BALLOT 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 Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to other applicable laws and regulations, that the appended resolution is proposed to be passed by the shareholders as a Special Resolution by way of postal ballot / remote electronic voting ('e-voting'). The explanatory statement pertaining to the resolution setting out the material facts and the reasons thereof is annexed hereto with a Postal Ballot Form (the Form) for your consideration.

Resolution

Increasing the limit for aggregate Foreign Portfolio Investment in the Equity Shares of the Company

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

"RESOLVED that pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000, the FDI Policy of the Government of India, applicable SEBI Regulations and all other applicable Laws, Rules, Regulations and Guidelines as amended from time to time (including any statutory modifications or re-enactment thereof from time to time and for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while according such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the 'Board', which term shall be deemed to include any duly constituted Committee thereof for exercising the powers of the Board for this purpose and in pursuance of this resolution) and in furtherance of the Resolution passed by the Board of Directors of the Company through Circular Resolution dated 07.12.2015, the consent of the Company be and is hereby accorded for increasing the aggregate limit for Foreign Investment in the Equity Shares of the Company by Registered Foreign Portfolio Investors (RFPs), Foreign Institutional Investors (FIIs) including SEBI approved sub-accounts of FIIs, Qualified Foreign Investors (QFIs), Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) under the Portfolio Investment Scheme (PIS) through primary or secondary route and such other form of foreign investment or by such other category of foreign investor or investing institutions as permissible from time to time upto and not exceeding 49% of the total paid-up Equity Share Capital of the Company in accordance with extant FDI Policy and FEMA Regulations governing such investment.

PROVIDED that the aggregate limit for NRI/ PIO investment within the overall 49% limit set above shall not exceed 24% of the total paid-up Equity Share Capital of the company or such other limit specified by RBI from time to time.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for any matter connected therewith or incidental thereto and delegating all or any of the powers conferred herein to any Committee, Director or Officer of the Company.

RESOLVED FURTHER that the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the above matter without being required or called upon to seek any further consent or approval of the shareholders or otherwise and the shareholders have deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board
For **Ponni Sugars (Erode) Limited**

Place : Chennai
Date : 7th December 2015

N Ramanathan
Managing Director

Notes

1. The Statement pursuant to Section 102 of the Companies Act, 2013 stating all material facts and the reasons for the proposal is annexed herewith.
2. This Notice is being sent to all 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 11th December, 2015 (Cut-off date).
3. This Notice is being sent in physical form in permitted mode along with a postage-prepaid self-addressed Business Reply Envelope to all members. In addition, it is sent in electronic form to their email address registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding). In addition, the Notice will be displayed on the website of the company at www.ponnisugars.com.
4. In compliance with the provisions of the Companies Act, 2013, the Rules made thereunder and in terms of Clause 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also provided the facility to the Members to exercise their votes electronically through the remote e-voting facility arranged with CDSL.
5. Members whose names appear on the Register of Members / List of Beneficial Owners as on 11th December, 2015 (Cut-off date) will alone be considered for the purpose of voting under either mode.
6. Resolution passed by the Members through postal ballot / remote electronic voting (e-voting) is deemed to have been passed as if they have been passed at a General Meeting of the Members.
7. Members are advised to read carefully the voting instructions appended hereunder before casting their votes.

8. For any assistance members may contact:

Mr S Viswanathan, Chief Manager (Secretarial) Ponni Sugars (Erode) Ltd, ESVIN House, 13 Old Mahabalipuram Road, Perungudi, Chennai 600096 Phone:044-39279339 Email:svs@ponnisugars.com	Cameo Corporate Services Ltd, "Subramanian Buildings", 5 th Floor No.1, Club House Road, Chennai 600 002. Phone: 044-28460390 (6 lines) Email: investor@cameoindia.com Contact person: Ms C S Vetriselvi, Senior Executive (Shares)
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Voting Process & Instructions

Voting by Postal Ballot

1. A member desiring to exercise vote by postal ballot may complete the attached Postal Ballot Form (the Form) and send it in the self-addressed envelope bearing the address of the scrutinizer. Postage will be borne by the Company. However postal ballots physically sent by any other mode at the expense of the member will also be accepted.
2. (a) The Form should be completed and signed by the member.
(b) In the case of joint holding, this Form should be completed and signed (as per the specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member.
(c) The signature of the member on the Form should be as per the specimen signature furnished by NSDL / CDSL or registered with the company, in respect of shares held in dematerialized form or in physical form, respectively.
(d) Members cannot appoint a proxy to exercise their voting powers through postal ballot.
(e) In case the Form is signed by a Power of Attorney (POA) holder, POA registration number should be mentioned or a notarized copy attached.
3. Incomplete, incorrect, indecipherable or unsigned Forms will be rejected.
4. The duly completed Form(s) should reach the Scrutinizer not later than the close of working hours (5.00 PM) on Wednesday, the 20th January 2016. Forms received after this date will be strictly treated as invalid.
5. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Form should be accompanied by a certified true copy of Board Resolution / Power of Attorney / attested specimen signature etc. In case of electronic voting, documents such as the certified true copy of the Board Resolution / Power of Attorney, along with attested specimen signatures, should be mailed to the Scrutinizer at askassociates2014@gmail.com with a copy marked to evotingindia.co.in, or deposited at the registered office of the Company.
6. A member may request from the RTA, M/s Cameo Corporate Services Limited for a duplicate Form, if required. However, the duly filled duplicate Form should reach the Scrutinizer not later than the time specified in Sl.No.4 above.
7. Members are requested not to send any other paper alongwith the Form in the enclosed self- addressed envelope.

Voting Through Electronic means

1. The company is pleased to provide to its members the facility to cast their vote on the resolution proposed thro' Postal Ballot by "remote e-Voting" (hereinafter mentioned 'e-Voting').
2. The e-Voting facility is offered through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
3. E-Voting commences on Monday, the 21st December 2015 (10.00 AM) and ends on Wednesday, the 20th January 2016 (5.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11th December, 2015 may cast their vote electronically. The e-Voting portal will be disabled by CDSL for voting thereafter.

Manner of e-Voting

4. *Instructions for e-Voting for members receiving an email pursuant to their email IDs having been registered with the Company/ Depository Participants:*
 - (i) User ID and password are required for e-Voting. If you are holding shares in Demat form and logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing login id and password are to be used. Else, follow clause (v) to (vii) for login.
 - (ii) Launch the internet browser during the voting period. Type the URL in the address bar www.evotingindia.com. Home screen opens.
 - (iii) Click on "Shareholders" tab to cast your vote.
 - (iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "**COMPANY NAME**" from the drop down menu and click on "SUBMIT"
 - (v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN (case sensitive) issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name in block letters and the sequence number (8 digits) printed in the address slip in the PAN field. For eg. if your name is Ramesh Kumar and sequence number 00002345 then enter RA00002345 in the PAN field.

Please enter any one of the details in order to login.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. (@ # \$ % & *). Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) Select EVSN (Electronic Voting Sequence Number) 151208003 of Ponni Sugars (Erode) Limited.
- (ix) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "Resolutions File Link" if you wish to view the Resolution.
- (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

5. In case of members receiving the physical copy of Postal ballot Notice [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.

6. E-voting cannot be exercised by a proxy. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

7. During the voting period, security holders can login any number of times till they have voted on the resolution.

Help Centre

8. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or send an email to helpdesk.evoting@cdslindia.com

9. Person responsible to address the grievances connected with the facility for e-voting:

Name: Mr Wenceslaus Futardo

Designation: Deputy Manager

Central Depository Services (India) Limited

Address: Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai 400 001

Email ID: helpdesk.evoting@cdslindia.com Phone No.1800 200 5533

General Instructions

1. Voting rights of shareholders shall be in proportion to their shareholding in the company on the cut-off date of 11th December 2015.
2. The Members can opt for only one mode of voting, i.e., either by physical Postal Ballot or remote electronic voting (e-voting). In case Members cast their votes through both the modes, voting done by Remote e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
3. The Board of Directors have appointed Mr A S Kalyanaraman, Practicing Chartered Accountant (Membership No.201149) as the Scrutinizer for conducting the postal ballot / e-voting in a fair and transparent manner.
4. The Scrutinizer will after the close of voting period:
 - (i) First unblock the votes cast through e-Voting.
 - (ii) Thereafter count the votes cast through postal ballot.
 - (iii) Both the above will be done in the presence of two witnesses not in the employment of the company.
 - (iv) Make a consolidated Scrutinizer's report (integrating the votes cast through postal ballot and through e-voting) of the total votes cast in favour or against, if any, to the Chairman on 21st January 2016.
 - (v) The Scrutinizer's decision on the validity of the postal ballot shall be final.
5. Voting Results
 - (i) The Chairman or a person authorized by him in writing shall declare on 22nd January 2016 at 11.00 AM at the registered office of the company the result of the voting based on the Scrutinizer's report.
 - (ii) The results immediately on declaration along with the scrutinizer's report will be displayed at the registered office of the company, placed on the websites of the company www.ponnisugars.com and CDSL www.evotingindia.co.in and communicated to NSE and BSE forthwith.
 - (iii) Subject to receipt of requisite number of votes in favour, the resolution shall be deemed to have been passed on the date of declaration of results.

Statement pursuant to Section 102 of the Companies Act, 2013

The Government of India has been ushering in a highly liberalized FDI Policy and RBI has been amending the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 (FEMR) from time to time for conferring greater flexibility in tapping diverse forms of foreign investments, both direct and indirect. As per extant Government Policy and RBI Regulations, total foreign portfolio investment in a company, is limited to 24% of the company's paid-up share capital. This limit can however be increased by the company upto the sectoral cap/ statutory ceiling by passing requisite resolution by the Board of Directors of the company followed by a Special Resolution of Shareholders. Such a Special Resolution in turn shall be intimated to RBI forthwith.

Sugar industry has of late started receiving increasing interest from investors in the stock market. With the imminent

turnaround in the fortunes of the industry, sugar scrips of most of the listed corporates have risen sharply in recent times. As regards our company, there has been heightened FII/ FPI investment in the secondary market happening through bulk deals in both NSE & BSE. As a result, aggregate holding by FII/ FPI in our company has gone up to 2062298 shares constituting 23.984% as of 13.11.2015. Hence any further investment by them would need hiking the aggregate limit beyond 24% of our capital.

The Board of Directors have considered it prudent and desirable to increase the aggregate limit for all forms of foreign investment put together, namely RFPi/FII/QFI/NRI/PIO or other permissible category of investors upto 49% of the total paid-up Equity Share Capital of the Company and with a sub-limit of 24% of NRI/ PIO. This should help facilitate further flow of foreign investment into the Equity shares of our company in the secondary market and thereby facilitate wider participation and better price discovery for the benefit of all its shareholders. Such a higher limit would also lend scope for our tapping direct foreign investment through primary issue of securities as and when required.

The Board of Directors have already passed on 07.12.2015 requisite resolution for this purpose through circular resolution. It is now intended to pass the Special Resolution of shareholders through Postal Ballot in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014.

All the material documents referred herein 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 the date of closing of voting period, ie. Wednesday, the 20th January 2016.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends this Special Resolution for approval by the shareholders.

By Order of the Board
For Ponni Sugars (Erode) Limited

Place : Chennai
Date : 7th December 2015

N Ramanathan
Managing Director