



## Prakash Constrowell Limited

CIN L45200MH1996PLC095941

**Registered Office:** The Exchange, Near Ved Mandir, Tidke Colony, Trimbak Road, Nashik – 422 002

**TEL. NO. -** 0253-2315269/70 **FAX. NO. -** 0253-2315271

**WEBSITE -** [www.prakashconstro.com](http://www.prakashconstro.com) **EMAIL -** [info@prakashconstro.com](mailto:info@prakashconstro.com)

### NOTICE OF POSTAL BALLOT

**[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]**

Dear Members,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (the 'Act'), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Companies Rules") including any statutory modification(s) or reenactment thereof for the time being in force, the enclosed resolutions as set out in this Notice are proposed to be passed by the Members as Special Resolution of Prakash Constrowell Limited (the "Company") through Postal Ballot (Postal Ballot Forms and voting through electronic means)

A Statement pursuant to Section 102 of the Companies Act, 2013, pertaining to the said resolutions, setting out material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form for your consideration.

The Board of Directors of the Company (the "Board") has appointed Mr. Dharmesh Zaveri of D. M. Zaveri & Co., Company Secretaries, as Scrutinizer for conducting the postal ballot (physical & e-voting) process in a fair and transparent manner in accordance with the provisions of Rule 22 of the Companies (Management and Administration) Rules, 2014

Pursuant to Regulation 44 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR") and Agreement entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on which the equity shares of the Company are listed and pursuant to the provisions of Section 110 of the Act read with the Companies Rules, the Company is pleased to provide electronic voting ("e-voting") facility as an alternative to its members to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Forms by post. The Company has engaged Central Depository Services (India) Limited ("CDSL") to provide e-voting facility to the Members of the Company. It may be noted that e-voting is optional. If a Member has voted through e-voting facility, he is not required to send the Postal Ballot Form. If a Member votes through e-voting facility and also sends his vote through the Postal Ballot Form, the votes cast through e-voting only shall be considered by the Scrutinizer.

The e-voting facility is available at the link: <https://www.evotingindia.com/> from 9:00 a.m. onwards on 28<sup>th</sup> July, 2017 upto 26<sup>th</sup> August, 2017, 05:00 p.m. Please refer to the instructions given for e-voting at the end of this Notice for the purpose and the manner in which e-voting has to be carried out.

Members opting to vote through physical mode i.e., sending the Postal Ballot Form are requested to carefully read the instructions printed on the Postal Ballot Form sent herewith and return the form duly completed in the attached self-addressed prepaid postage envelope, so as to reach the Registered Office of the Company on or before the closing of the working hours i.e., 05:00 p.m. on 26<sup>th</sup> August, 2017 (end date of voting period).

Please note that any Postal ballot form(s) received after the said date will be treated as invalid. No other form or photocopy thereof is permitted. The Scrutinizer will submit his report to the Chairman of the Company after the completion of the scrutiny of the postal ballot form. The results will be announced by the Chairman of the Company or in his absence, any person authorized by him on or before 28<sup>th</sup> August, 2017 at present Registered Office of the Company at The Exchange, Near Ved Mandir, Tidke Colony, Trimbak Road, Nashik - 422002 at 05.00 p.m. The results of the postal ballot will also be displayed at the present Registered Office and on our website [www.prakashconstro.com](http://www.prakashconstro.com) besides being communicated to the Stock Exchanges, where the Company's Equity Shares are listed. The resolutions, if approved, will be taken as passed effectively on Thursday, 26<sup>th</sup> August, 2017.

#### Proposed Resolutions

##### Item No 1: Shifting of Registered Office 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 Section 12 and all other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereunder, the Registered Office of the Company be shifted from "The Exchange, Near Ved Mandir, Tidke Colony, Trimbak Road, Nashik - 422002" to "Office No. 904, Trade World C Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013" within the State of Maharashtra;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, any of the Director or any person(s) authorized by the Board in this regard) be and is hereby severally authorized to do all such acts, deeds, matters and things including but not

limited to filing of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion to give effect to the above resolution.

**Item No 2 :To make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013.**

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

**“RESOLVED THAT** pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution thereof) (hereinafter referred to as “the Board”) to (i) give any loans to any person or other body corporate or any other permissible form of entity(ies) or organisation(s) to be formed or incorporated or converted including but not limited to limited liability partnerships and/ or (ii) give any guarantees or to provide security in connection with a loan / any other form of debt to any other body corporate or person or any other permissible form of entity(ies) or organisation(s) to be formed or incorporated or converted and /or (iii) invest or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate or any other permissible form of entity(ies) or organisation(s) to be formed or incorporated or converted up to a sum not exceeding ₹ 532,25,00,000/- (Rupees Five Hundred and Thirty Two Crores Twenty Five Lakh) (present or future) notwithstanding that the aggregate amount of all the loans / guarantees / securities / investments so far made together with the proposed loans / guarantees / securities / investments to be made, exceeds the prescribed limits under the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty or doubt including power to sub-delegate that may arise in regard to the proposed investments or loans or guarantees or securities and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

**Item No 3: To consider and approve loan from Director.**

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

**RESOLVED THAT** pursuant to Section 62(3) and other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow upto ₹ 30,00,00,000/- (Rupees Thirty Crores) as an Unsecured Loan from Mr. Prakash Laddha (Promoter & Director of the Company) (hereinafter referred to as the “Lender”), which expression shall, unless it is repugnant to the subject or context thereof, includes its successor and to whom Lender may assigns or otherwise transfer its rights and/or obligations under the financing documents), at applicable interest rate in term of the applicable law and for the purpose of repayment of aforesaid Unsecured Loan or any part thereof payable to Lender in terms of the loan, by giving an option to the Lender, to convert either the whole or any part of the outstanding principal amount under the Loan and/or interest, payable to such Lender, into fully paid up and voting equity shares of the Company, in accordance with Applicable law including SEBI (ICDR) Regulations and in the manner specified in the written notice, provided by such Lender to the Company, of their respective intention to convert the loans.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lender arising from or incidental to the aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to the above resolution.

**RESOLVED FURTHER THAT** the fully paid up equity shares so allotted and issued to the Lender pursuant to their exercising the right of conversion shall carry the right to receive the dividends and other distributions declared or to be declared for the period commencing from the date of conversion till the end of relevant financial year, save as aforesaid, the fully paid up equity shares allotted to the Lender shall rank pari passu in all respects with other equity shares of the Company, provided further that the Company shall increase, if required, the authorized capital of the Company to satisfy the conversion for the time being available to the Lender. The conversion right reserved as aforesaid may be exercised by the Lender on one or more occasions, as may deem fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable or as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection with or incidental thereto as the Board in its absolute discretion may deem fit, without it being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this resolution on it, to any Committee of Directors or any person(s), as it may in its absolute discretion deem fit in order to give effect to this resolution.

**Item No 4: To consider and approve further issue of shares through Rights issue.**

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

**RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India including

the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended and any other guidelines and clarifications issued by any other competent authority, to the extent applicable including the enabling provisions of the Memorandum of Association and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed (the "Stock Exchanges") in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended and subject to the permissions, consents, sanctions and approvals by any authority or institution, including but not limited to the bankers of the Company, as may be necessary, and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), and subject to any other alterations, modifications, conditions, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches, by way of a Rights Issue, the equity shares of the face value of Re. 1/- each to the holders of equity shares as on a record date to be determined by the Board, or their renounee(s), including resident/foreign shareholders, Institutions, Non-resident Indians, Corporate Bodies, Trust, Societies, Mutual Funds, Banks, Insurance Companies, Pension Funds, Foreign Portfolio Investors and Individuals (collectively, the "Investors") on such terms and conditions as may be mentioned in the Letter of Offer to be issued by the Company for the purpose at such time or times, at such price or prices, including at a discount to the market price or prices in such manner and on such terms and conditions considering the prevalent market conditions at that time and such other consideration that the Board may, in its absolute discretion, decide that the aggregate value of such number of equity shares of the Company (including premium on face value of the equity shares of ` 1/- each) does not exceed ` 48,50,00,000/- Crores (Rupees Forty Eight Crores & Fifty Lakhs Only) and that the holders of equity shares to whom the equity shares are being offered under the Rights Issue shall also be entitled to apply for additional equity shares and allotment of additional equity shares shall be made in such proportion as may be decided by the Board in its sole and absolute discretion.

**RESOLVED FURTHER THAT** all the new equity shares to be issued and allotted in the manner aforesaid shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to allot the equity shares on basis of the application received as a result of offer from the existing equity shareholders and/ or renounee and to dispose of equity shares remained unsubscribed, if any, in such manner, as the Board may deem fit and proper at its absolute discretion and as most beneficial to the Shareholders and the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to adjust the unsecured loan as taken by the Company from Mr. Prakash Laddha (Promoter & Director of the Company) in the books of the Company until the finalizing of the Letter of Offer for the Rights Issue, against the Application Money for their entitlements (include additional equity shares, if any) in the Rights Issue, subject to the full disclosure about the same in the Offer Documents, in term of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution including any offer, issue or allotment of equity shares, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of the equity shares and proportion thereof, timing for issuance of such equity shares, issue price, premium on face value, if any, to appoint Lead Manager(s), Banker(s), Legal Advisor(s), Registrar and other intermediaries / agencies, to fix the record date / book closure in consultation with the Stock Exchange and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting and/ or standby, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to Letter of Offer and/or offering circular and/or offer document and/or documents and agreements including filing of registration statements, and other documents (in draft or final form) with any authority or stock exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of equity shares including allotment of equity shares that are not subscribed and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds and disclosure thereof in accordance with applicable regulations/guidelines in force, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members of the Company.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee thereof or to any one or more executives of the Company.

Place: Nashik  
Date: 21/07/2017

By order of Board of Directors  
For PRAKASH CONSTROWELL LIMITED

Sd/-  
Madhura Ubale  
Company Secretary

**NOTES:**

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.

1. All documents referred to in the Notice and the Explanatory Statement are open for inspection by the shareholders at the Registered Office of the Company on any working day except Public Holidays, Saturday & Sunday, upto 26<sup>th</sup> August, 2017 (end of voting period), the last date for the receipt of postal ballot forms.
2. The voting by Postal ballot is only for shareholders entitled to vote, who are required to duly fill in the postal ballot form and send it to the Registered Office of the Company. Any other recipient of this Notice, who does not have voting rights, should treat the Notice as intimation only.
3. The Company has appointed Mr. D. M. Zaveri, (FCS: 5418; C. P. No. 4363) Proprietor of M/s. D. M. Zaveri & Co., Practising Company Secretaries, Mumbai, as Scrutinizer for conducting the Postal ballot process in a fair and transparent manner.
4. In compliance with the provisions of Section 110 of Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all the shareholders of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Ltd. for giving e-voting facility to enable the shareholders to cast their votes electronically instead of dispatching Postal Ballot Form.
5. This notice is being sent to all the members, whose names appear in the Register of Members/Records of Depositories as on the close of working hours on 21<sup>st</sup> July 2017 i.e. "the cut-off date". Voting Rights shall be reckoned on the paid-up value of the shares registered in the name of the members as on the cut-off date.

Shareholders, who have registered e-mail IDs for receipt of documents in electronic mode, are being sent Notice of Postal Ballot by e-mail and others are being sent by post along with Postal Ballot Form. Shareholders, who have received Postal ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download the Postal ballot Form from our website, [www.prakashconstro.com](http://www.prakashconstro.com).

6. The details of dispatch of Notice and Postal Ballot Paper to the members will be published in at least one English and one Vernacular language newspaper circulating in Maharashtra.
7. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the Chairman of the Company shall announce the results of the Postal Ballot on or before 28<sup>th</sup> August, 2017 at the Registered Office of the Company at The Exchange, Near Ved Mandir, Tidke Colony, Trimbak Road, Nashik – 422002 and will be placed on the Website of the Company [www.prakashconstro.com](http://www.prakashconstro.com) and website of CDSL.
8. 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 in the attached self-addressed prepaid Business reply envelope. An unsigned Postal Ballot Form will be rejected. The Postal Ballot Form(s) shall also be deposited at the address given thereon. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5.00 p.m. on 26<sup>th</sup> August, 2017 to be eligible for being considered; failing which, it will be strictly treated as if no reply has been received from the Member.
9. Any query/grievance may please be addressed to Ms. Madhura Ubale, Company Secretary & Compliance Officer with respect to the voting by Postal Ballot including voting by electronic means at: Email id: [compliance@prakashconstro.com](mailto:compliance@prakashconstro.com) or Tel.: +91 253 2315269; Fax: +91 253 2315271

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins at 9:00 A.M. on Wednesday, 26<sup>th</sup> July, 2017 and ends at 5:00 P.M. on Saturday, 26<sup>th</sup> August, 2017 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21<sup>st</sup> July 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) The shareholders should log on to the e-voting website <https://www.evotingindia.com/>.
- (iv) Click on Shareholders.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to <https://www.evotingindia.com/> and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>

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. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.</li> </ul>

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Prakash Constrowell Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com/> and register themselves as Corporates. scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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 <https://www.evotingindia.com/> , under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .

In case of members receiving the physical copy of Postal Ballot Form by Post and desiring to cast e-vote:

- (A) Please follow all steps from Sl. No. (i) to Sl. No. (xvi) above to cast vote.
- (B) The voting period begins on 28<sup>th</sup> July, 2017 at 09:00 AM and ends on 26<sup>th</sup> August, 2017 at 05:00 PM. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21<sup>st</sup> July 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting, thereafter.
- (C) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (D) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

Place: Nashik  
Date: 21/07/2017

By order of Board of Directors  
For PRAKASH CONSTROWELL LIMITED

Sd/-  
Madhura Ubale  
Company Secretary

## **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

### **ITEM NO. 1**

As per provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of Chapter VII relating to the Procedure to be followed for conducting business through postal ballot, shifting of registered office of a company outside the local limits of any city or town requires approval of the Members by way of Special Resolution.

The Registered Office of the Company is presently situated at Nashik. With a view to improve the operational efficiency, the Board of Directors considered and subject to approval of the Members, approved the proposal for shifting the registered office to Mumbai. The proposed location is outside the local limits of Nashik city and therefore requires approval of the Members by way of special resolution. If approved, the registered office will be moved to Office No. 904, C Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

None of the directors, key managerial personnel or their relatives is, in any way, concerned or interested in this resolution except to the extent of their shareholding in the company.

The Board of Directors recommends the resolutions set out at Item No. 1 for the approval of the members of the company as a special resolution.

### **Item No. 2**

Pursuant to Section 186 (2) of the Companies Act, 2013 (Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 the Board of Directors is authorized to give loan, guarantee or provide security in connection with a loan to any other body corporate or person and/ or to acquire by way of subscription, purchase or otherwise, the securities including shares, debentures etc. or any other body corporate, up to amount aggregate of which should not exceed 60% of the paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account of the Company, whichever is higher. In case the Company exceeds the above mentioned limits then, prior approval of shareholders by way of a Special resolution is required to be obtained. However, Rule 11 of Rules provides that where a loan or guarantee is given or where a security is provided by a company to its wholly owned subsidiary company or a joint venture company or acquisition is made by a holding company, by way subscription, purchase or otherwise of, the securities of its wholly owned subsidiary company, approval of shareholders is not required but such amounts will be taken into consideration for calculating the above limits. The company is undertaking various business activities through joint ventures associate companies, other bodies corporate and would, therefore, be required to provide financial assistance / support by way of giving of loans / guarantees, providing of securities, making investment in securities in order to expand its business activities and also for optimum utilization of funds.

Accordingly, Board of Directors of the Company may be authorized to given loans, guarantees or provide securities or investment as mentioned above, up to an amount, the aggregate outstanding of which should not exceed, at any given time ₹ 532,25,00,000/-, which shall be over and above the said limit as specified in section 186 (2) of the Act.

The Board of Directors of your Company recommends the Resolution as set out in Item No. 2 of the accompanying Notice for the approval of members of the Company as Special Resolution

Directors, Key Managerial Personnel and their relatives who are members of the Company, may be deemed to be concerned or interested in the Item No. 2 of the accompanying notice to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

### **Item No 3**

In order to meet funding requirements towards the purpose of capital expenditures, acquisition of business, operational expenditure and working capital of the Company and for general corporate purpose, your Board proposes to borrow upto Rs. 30 Crores (Rupees Thirty Crores) as Unsecured Loan from Mr. Prakash Laddha (Promoter & Director of the Company) (hereinafter referred to as the "Lender"). One of the condition from the Lenders is to provide them with an option to convert the Loan and/or Interest thereon, from time to time, at his option, into equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations (SEBI Regulations) at the time of such conversion.

In terms of the provisions of Section 180(1)(c), the shareholders of the Company have already accorded approval to the Board of Directors of the Company to borrow money upto an amount of 100 Crores by passing a Special Resolution on 29<sup>th</sup> September, 2014.

Since decisions for raising the Financial Assistances or agreeing to terms and conditions for raising the Financial Assistances (including option to convert loan into equity) are required to be taken on quick basis, especially keeping in view the interest of the Company, it may not be feasible for the Company to seek shareholders consent each and every time, in view of the timings and the expenses involved. Pursuant to provisions of Section 62(3) of the Companies Act, 2013, this resolution requires approval of the members by way of passing of a Special Resolution. Hence, the Board recommends the resolution for the approval of the members.

Except Mr. Prakash Laddha being Director and Promoter of the Company, none of the Directors, Promoters, Key Managerial

Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

#### **Item No 4**

The Company proposes to raise funds upto Rs. 48.50 Crores by way of issue of equity shares with premium on a right basis to meet funding requirements towards the purpose of capital expenditures, acquisition of business, operational expenditure and working capital of the Company and for general corporate purpose.

Section 62 of the Companies Act, 2013 provide inter-alia that where it is proposed to increase the subscribed share capital of the company by allotment of further shares, then such further shares shall be offered to the persons, who at the date of offer are holders of equity shares of the Company, in proportion, as nearly as circumstances admit to the paid up capital on those shares as of that date unless the shareholders decide otherwise. The SEBI Regulations also provide that company shall issue or offer in the first instance all securities to the existing shareholders of the company unless the shareholders decide otherwise. The Special Resolution seeks the consent and authorization of the Shareholders accordingly.

Pursuant to the provisions of section 62 of the Act, any offer or issue of shares by a company to persons other than the holders of the Equity Shares of the Company or to such holders otherwise than in proportion to the capital paid up, requires prior approval of the shareholders by passing of a Special Resolution. Under the proposed Rights Issue, the Equity Shares will be offered to existing Shareholders of the Company on the basis of shares held by them. Further, in case of renunciation, the equity shares may be offered and allotted to persons other than the existing shareholders and hence, the proposed resolution.

This Special Resolution authorises the Board or a Committee thereof to decide and finalise all aspects of the issue including the terms and conditions of the issue, price and size of the issue, in consultation with the Lead Manager(s), Legal Advisor and other experts and / or such other agency or authorities as need to be consulted including in relation to the pricing of the issue which will be fixed keeping in view the then prevailing market conditions and in accordance with the applicable provisions of laws, rules, regulations, or guidelines. The detailed terms and conditions of the Rights Issue will be intimated to the Shareholders through the Letter of Offer and / or Abridged Letter of Offer or other documents to be issued in this regard. Under the provisions of Section 62(3) and other applicable provisions of the Companies Act, 2013 in view of the fact that Mr. Prakash Laddha (Promoter & Director of the Company) may be entitled at their option to convert the whole or any part of the outstanding principal amount under the Loan and/or interest, into fully paid-up ordinary Equity Shares in the Company in accordance with the applicable SEBI Regulations at the time of such conversion. Allotment of equity shares as above requires prior approval of the members by way of Special Resolution.

The proposed issue is in the interest of the Company and your Directors commend the resolution for your approval.

The Board accordingly recommends the resolution as set out in Item No. 2 of the Notice for the approval of the members.

Save and except as shareholder and to the extent of their shareholding in the Company, none of the Directors, Promoters, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution except Mr. Prakash Laddha being director of the Company.

Place: Nashik  
Date: 21.07.2017

By order of Board of Directors  
For PRAKASH CONSTROWELL LIMITED

Sd/-  
Madhura Ubale  
Company Secretary