



Flora Textiles Limited

GSTIN : 33AAACF4312P1ZQ
CIN No. : L17111TZ1993PLC004290
Registered Office
73, Bharathi Park Road,
Coimbatore - 641 043.
Phone : 91 (422) 2447395
Email : floratex1@gmail.com

13.12.2022

To
BSE Ltd
25th Floor,
P J Towers
Dalal Street,
Fort, Mumbai - 400 001
Scrip Code : 530705

Dear Sir,

Sub: Postal Ballot Notice

We hereby inform you that the Company is conducting a postal ballot for seeking the approval of the members of the Company on the resolutions as set out in the Postal Ballot Notice. On account of threat posed by COVID-19 pandemic situation and in compliance with the provisions of No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 10/2021 dated 23rd June, 2021, General Circular No. 20/2021 dated 8th December, 2021, and General Circular No. 3/2022 dated 5th May, 2022 ("MCA Circulars") and the Securities and Exchange Board of India Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 ("SEBI Circulars") and other applicable laws, regulations, circulars, and directions if any (all the provisions, rules, standards and circulars, are collectively known as "Applicable Law"), the Company has sent Postal Ballot Notice in electronic form only.

We wish to inform that, the Company has duly completed the dispatch of Postal Ballot Notice dated 14.11.2022 electronically on Tuesday 13th Dec, 2022 to all the members whose names appear in the Register of Members/ Record of Depositories as on Friday, 9th December, 2022, being the cut-off date for that Purpose.

In pursuance of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has engaged M/s. KFin Technologies Limited, to provide e-voting facility.



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The voting period will commence on 9.00 A.M. (IST) on Wednesday 14th December, 2022 and ends at 5.00 P.M. (IST) on Thursday, 12th January, 2023. The Company has appointed Mr.A C Saravan, Practicing Company Secretary, Coimbatore, as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner. The results of the Postal Ballot will be announced on or before on or before 5.00 P.M on Saturday, 14th January, 2023. In compliance with applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended,

Please find enclosed the copy of Postal Ballot Notice for your information and records. The Postal Ballot Notice is also available on the Company's website. This submitted for your information and records.

Thanking You

Yours faithfully,

[Kirtishree Agarwal]
Company Secretary

FLORA TEXTILES LIMITED

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Registered Office : . 23, BHARATHI PARK ROAD, COIMBATORE – 641043

Email : floratex1@gmail.com Contact : 7810935393

POSTAL BALLOT NOTICE

[Notice issued to members pursuant to Section 108 and Section 110 of the Companies Act, 2013, read with rules made thereunder]

Dear Members,

NOTICE is hereby given that the approval of members of Flora Textiles Limited (“the Company”) is being sought by way of resolutions as appended below to be passed by members of the Company through a Postal Ballot, only by way of remote e-voting process (“e-voting”), in terms of Section 108 and Section 110 of the Companies Act, 2013, as amended from time to time (hereinafter referred to as the “Act”) read together with the Companies (Management and Administration) Rules, 2014, including any Statutory modification(s) or re-enactments thereof for the time being in force, and Secretarial Standards issued by the Institute of Company Secretaries of India on General Meeting (“SS-2”) read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), and pursuant to the relaxations and clarifications issued by Ministry of Corporate Affairs vide General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 10/2021 dated 23rd June, 2021, General Circular No. 20/2021 dated 8th December, 2021, and General Circular No. 3/2022 dated 5th May, 2022 (“MCA Circulars”) and the Securities and Exchange Board of India Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 (“SEBI Circulars”) and other applicable laws, regulations, circulars, and directions if any (all the provisions, rules, standards and circulars, are collectively known as “Applicable Law”).

In terms of Applicable Law, the Postal Ballot Notice (the “Notice”) is being sent only by email to all its members who have registered their email addresses with the Company or depository(ies) or depository participants as of 9th December, 2022 (“Cut-Off Date”) and members can vote only through the remote e-voting process. Accordingly, the Company is pleased to provide a remote e-voting facility to all its members to cast their votes electronically and for this purpose, the Company has engaged the services of KFin Technologies Limited (“KFinTech” or “Registrar and Transfer Agent”) as the agency to provide e-voting facility.

Members are requested to read the instructions in the Notes in this Postal Ballot Notice, which are annexed hereto, and record their assent (“FOR”) or dissent (“AGAINST”) on the proposed resolutions through the e-voting process not later than 5:00 P.M. (IST) on Thursday, 12th January, 2023, failing which it will be considered that no reply has been received from the Member.

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SPEICAL BUSINESSES:

AUTHORITY TO THE BOARD OF DIRECTORS UNDER SECTION 180 (1) (C) OF THE COMPANIES ACT, 2013 FOR BORROWINGS UPTO THE REVISED LIMIT OF RS. 50 CRORES

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

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company and in supersession of earlier resolutions passed by the members of the Company in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board) for borrowing from time to time, by way of loans, credit facilities, debt instruments or in any other forms, any such sum or sums of money from Banks, Financial Institutions, Bodies Corporate, Companies, firms or any one or more persons on such terms and conditions and with or without security as the Board may think fit, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company, provided that the total amount so borrowed (other than temporary loans from the Company’s bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of Rs. 50 Crores (Rupees Fifty Crores Only);

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute such documents and to perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution.”

ITEM NO. 2

AUTHORITY TO THE BOARD OF DIRECTORS UNDER SECTION 180 (1) (A) OF THE COMPANIES ACT, 2013 FOR CREATION OF CHARGE UPTO THE REVISED LIMIT OF RS. 50 CRORES

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

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company and in supersession of earlier resolutions passed by the members of the Company in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and

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hypothecations created by the Company, on such movable and immovable properties, both present and future, for the purpose of due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings and in such form, manner and with such ranking and on such terms & conditions, as the Board may deem fit, in favour of the Lenders / Security Trustee, provided that the aggregate indebtedness secured by the assets/properties of the Company shall not at any time exceed the aggregate limit of Rs. 50 Crores (Rupees Fifty Crores Only);

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, execute such documents as may be considered necessary, desirable or expedient for giving effect to this Resolution.”

By Order of the Board

-sd-

Kirtishree Agarwal
Company Secretary
ACS56183

Date : 14.11.2022

Place : Coimbatore

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) read with rules made thereunder, setting out material facts concerning the resolution, is annexed hereto. Details of Directors whose appointments are proposed pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2) is also appended hereto as Annexure-A.
2. In accordance with the MCA Circulars this Postal Ballot Notice is being sent only by electronic mode to those members whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited (“NSDL”) as of 9th December, 2022 (“Cut-Off Date”).
3. As per the relevant MCA Circulars, physical copies of the Notice, postal ballot forms, and pre-paid business reply envelopes are not being sent to Members for this Postal Ballot. Members are requested to provide their assent or dissent through e-voting only.
4. This Postal Ballot Notice will also be available on the Company's website at www.floratextiles.in and websites of the Stock Exchanges, that is, BSE Limited at www.bseindia.com and on the website of KFin Technologies Limited (“KFinTech”) at <https://evoting.kfintech.com>. Members who have not received the Notice may download the same from the aforesaid websites.
5. In accordance with the MCA Circulars, the Company has made necessary arrangements for the members to register their e-mail address. The Company hereby requests all its members to register their email addresses, if not yet registered, to promote the green initiative and to enable the Company to provide all communications to the members through email.

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6. For receiving a copy of the postal ballot notice electronically, members who have not yet registered their email addresses are requested to get their email addresses registered with KFin, on a temporary basis, by following the procedure mentioned below:

- a) Visit the link <https://ris.kfintech.com/clientservices/postalballot/registration.aspx>
- b) Select the Company Name i.e., Flora Textiles Limited.
- c) Select the Holding type from the drop-down i.e. - NSDL/Physical
- d) Enter DP ID – Client ID (in case shares are held in electronic form)/Physical Folio No. (in case shares are held in physical form) and PAN.
- e) If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
- f) In case of shares held in physical form where PAN details are not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
- g) Enter the email address and mobile number.
- h) System will validate DP ID – Client ID/Folio No. and PAN or Share Certificate No., as the case may be, and send OTP at the registered Mobile number as well as the email address for validation.
- i) Enter the OTPs received by SMS and email to complete the validation process. OTPs will be valid for 5 minutes only.
- j) The Notice and e-voting instructions along with the User ID and Password will be sent to the email address updated by the member.
- k) Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
- l) In case of queries, members are requested to write to einward.ris@kfintech.com or call the toll-free number 1800-309-4001.

7. Members whose names appear on the Register of Members / List of Beneficial Owners as of Cut-Off Date will only be considered eligible for the purpose of e-voting. A person who becomes a member after the Cut-Off Date should treat this notice for information purpose only.

8. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as of Cut-off Date. It is, however, clarified that all Members of the Company as of Cut-off Date (including those Members who may not have received this Notice due to non-registration of their e-mail addresses with the Company/Depositories) shall be entitled to vote in relation to the aforementioned Resolution in accordance with the process specified in this Notice.

9. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the applicable relevant Rules, the MCA Circulars and Regulation 44 of the Listing Regulations read with circular of SEBI on e-Voting Facility, Secretarial Standard-2 and any amendments thereto, the Company is pleased to offer e-voting facility to all the Members of the Company. For this purpose, the Company has engaged

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Kfin Technologies Limited for facilitating e-voting to enable the Members to cast their votes electronically.

10. Relevant documents referred to in this Postal Ballot Notice and the Statement shall be available for inspection by the members at the corporate office of the Company on any working days from the date of circulation of this Notice upto the date of closure of e-voting i.e. 12th January, 2023. Members who wish to inspect such documents are requested to send an email to floratex1@gmail.com mentioning their name, folio no./client ID and DP ID and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.

11. Members may send their queries related to items included in the Postal Ballot Notice or any other matter concerning the Company on the email id floratex1@gmail.com, from their registered email address, mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number and copy of PAN card. Said queries shall be appropriately replied by the Company.

12. The e-voting period will commence from 9.00 A.M. (IST) on Wednesday 14th December, 2022 and ends at 5.00 P.M. (IST) on Thursday 12th January, 2023. Members desiring to exercise their vote should cast their vote during this period and remote e-voting beyond the said period will not be allowed. The e-voting module shall be disabled by KFinTech for voting thereafter.

13. The Board has appointed Mr. A C SARAVAN Company Secretary in practice, (FCS No.8942, CoP No.10010, having his office at 17b, Second Floor, Venkataramana Road, R S Puram, Coimbatore – 641002 to act as the Scrutinizer for conducting the postal ballot through e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

14. The Scrutinizer will submit his report, after the completion of scrutiny, to the Chairman of the Company or any person authorized by him. The results of e-voting will be announced within 2 working days from the end of e-voting period, and will be displayed on the Company's website www.floratextiles.in. The same will also be communicated to BSE Limited where the equity shares of the company are listed and also to Kfin Technologies Limited.

15. The resolutions, if passed by the requisite majority shall be deemed to have been passed on 12th January, 2023 being the last date specified by the Company for e-voting.

16. Resolutions passed by the Members through Postal Ballot are deemed to have been passed as if the same have been passed at a general meeting of the Members.

17. The vote in this Postal Ballot cannot be exercised through proxy.

18. The instructions and other information relating to e-voting are as under:

i. Once the Shareholder has exercised the vote, whether partially or otherwise, the Shareholder shall not be allowed to change it subsequently or cast the vote again.

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ii. INFORMATION AND INSTRUCTIONS FOR E-VOTING BY INDIVIDUAL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE.

In terms of the SEBI circular dated December 9, 2020 on the “e-voting facility provided by Listed Companies”, the e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access the e-voting facility.

PROCEDURE TO LOGIN THROUGH WEBSITES OF NSDL

I. Users already registered for IDeAS facility of NSDL may follow the following procedure:

1. Click on URL: <https://eservices.nsd.com>.
2. Click on the "Beneficial Owner" icon under 'IDeAS' section.
3. Enter your User ID and Password for accessing IDeAS,
4. On successful authentication, you will enter your IDeAS service login.
5. Click on "Access to e-Voting" under Value Added Services on the panel available on the left hand side.
6. Click on "Active e-voting Cycles" option under e-voting. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period

II. Users not registered for IDeAS facility of NSDL may follow the following procedure:

1. To register, click on URL: <https://eservices.nsd.com>.
2. Select "Register Online for IDeAS".
3. Proceed to complete registration using your DPID, Client ID, Mobile Number, etc.
4. After successful registration, please follow steps given under Sr. No. I above to cast your vote.

III. Users may directly access the e-voting module of NSDL as per the following procedure:

Click on URL: <https://www.evoting.nsd.com>

2. Click on the button "Login" available under "Shareholder / Member section".

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3. Enter your User ID (i.e. 16-digit demat account number held with NSDL), login type, Password / OTP and Verification code as shown on the screen.

4. On successful authentication, you will enter the e-voting module of NSDL.

5. Click on "Active E-voting Cycles / VC or OAVMs" option under e-voting. 6. Click on Company name or e-voting service provider and you will be re-directed to KFinTech website for casting the vote during the remote e-voting period.

PROCEDURE TO LOGIN THROUGH DEMAT ACCOUNTS/WEBSITE OF DEPOSITORY PARTICIPANT

Individual shareholders holding shares of the Company in Demat mode can access the evoting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts/websites of Depository Participants registered with NSDL/CDSL. An option for "e-voting" will be available once they have successfully logged in through their respective logins. Click on the option "e-voting" and they will be redirected to e-voting modules of NSDL/CDSL (as may be applicable). Click on the e-voting link available against the name of the Company or select e-voting service provider "KFinTech" and you will be re-directed to the e-voting page of KFinTech to cast your vote without any further authentication.

Important note: Members who are unable to retrieve User ID/Password are advised to use "Forgot User ID"/"Forgot Password" options available on the websites of Depositories/Depository Participants

Contact details in case of technical issue on NSDL website.

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

INFORMATION AND INSTRUCTIONS FOR E-VOTING BY NON-INDIVIDUAL MEMBERS AND MEMBERS HOLDING SHARES IN PHYSICAL FORM.

Login method for non-individual members and members holding shares in physical form are given below:

1. Initial password is provided in the body of the email.
2. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
3. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with RTA for e-voting, you can use your existing User ID and password for casting your votes.

User ID: For Members holding shares in DematForm:-

For NSDL: 8 character DP ID followed by 8 digits Client ID.

User ID: For members holding shares in Physical Form:

Event Number followed by Folio No. registered with the Company.

Password: Your unique password is sent via e-mail forwarded through the electronic notice.

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Captcha: Please enter the verification code i.e. the alphabets and numbers in the exactway as they are displayed for security reasons.

4. After entering the details appropriately, click on LOGIN.

5. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login.

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

6. You need to login again with the new credentials.

7. On successful login, the system will prompt you to select the EVENT number of the Company.

8. On the voting page, the number of shares (which represents the number of votes) held by you as of the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as of the cut- off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

9. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

10. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

11. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.

12. Corporate/Institutional Members (that is, other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: cskumar22@gmail.com with a copy marked to einward.ris@kfintech.com. Such authorization shall contain necessary authority for voting by its authorized representative(s). It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVEN".

In case of any query on e-voting, Members may refer to the "Help" and "FAQs" sections/e- voting user manual available through a dropdown menu in the "Downloads" section of KFinTech website for e-voting: <https://evoting.kfintech.com> or contact Mr.MohammedShanoor, Corporate Registry at KFinTech, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda,

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Serilingampally, Hyderabad - 500 032 at eniward.ris@kfintech.com or call KFintech toll free number 1-800-309-4001.

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EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES:

ITEM NO.1 & 2

Authority to the Board of Directors under Section 180 (1) (c) of the Companies Act, 2013 for borrowings upto the revised limit of Rs. 50 crores and Authority to the Board of Directors under Section 180 (1) (a) of the Companies Act, 2013 for creation of charge upto the revised limit of Rs. 50 crores

At the Extra ordinary General Meeting (“EGM”) of the Company held on 10th Sep, 2014, the members of the Company had accorded their consent to the Board of Directors of the Company (“Board”) for borrowing monies (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) upto Rs. 12 Crores under Section 180(1)(c) of the Companies Act, 2013. The members of the Company at the said EGM had also accorded their consent to the Board to create charge on properties or assets of the Company to secure borrowings upto Rs. 12 crores under Section 180(1)(a) of the Companies Act, 2013.

In view of the increase in business activities, keeping in view the future plans of the Company and to fulfill long term strategic and business objectives, the Board of Directors at its meeting held on 14th November, 2022 proposed and approved increase in the borrowing limit from Rs. 12 Crores to Rs. 50 Crores (Rupees Fifty Crores) pursuant to Section 180 (1)(c) of the Companies Act, 2013 and accordingly, increase the limit for creation of charge to secure the indebtedness upto the aggregate limit of Rs. 50 Crores (Rupees Fifty Crores) pursuant to Section 180 (1)(a) of the Companies Act, 2013, subject to the approval of the members of the Company.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors have the powers to borrow money, where the money to be borrowed, together the monies already borrowed by the company (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) exceeds aggregate of the paid-up share capital, free reserves and securities premium of the Company, with the consent of the Shareholders of the Company by way of Special Resolution.

Further, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors have the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company with the consent of the Shareholders of the Company by way of a Special Resolution.

In order to secure the borrowings, the Company may be required to create security by way of mortgage/ charge/ hypothecation on its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over control of the said assets and properties of the Company. Since creation of charge on properties and assets of the Company with the right of taking over the control in certain events of default may be considered to be a sale/ lease/ disposal of the Company’s undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is proposed to seek approval of the shareholders of the Company for increasing the existing limits to Rs. 50 Crores.

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Accordingly, the approval of the members of the Company is sought for increase in the borrowing limits and to secure such borrowings by the creation of charge on assets/properties of the Company upto Rs. 50 Crores as stated in the resolutions.

The Board of Directors therefore recommends the resolutions as set out in Item Nos. 1 and 2 of the Notice for approval of members of the Company by way of Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolutions.