



EXPLANATORY STATEMENT TO THE EXTRA ORDINARY GENERAL MEETING NOTICE (Under Section 102 of Companies Act, 2013)

Item No. 01:

The present Authorised Capital of the Company is Rs. 75,00,00,000/- (Rupees Seventy Five Crore only) divided into 1,50,00,000 (One Crore and Fifty Lakhs) Preference shares of Rs. 10/- (Rupees Ten only) each and 6,00,00,000 (Six Crore) Equity shares of Rs. 10/- (Rupees Ten only) each. Considering the requirements and future business prospects and issuance of equity shares and/or equity linked securities, it is therefore considered necessary to increase the Authorised Share Capital of the Company from present Rs. 75,00,00,000/- (Rupees Seventy Five Crore only) to Rs. 1,15,00,00,000 (Rupees One Hundred and Fifteen Crore) comprising of 1,50,00,000 (One Crore and Fifty Lakhs) Preference shares of Rs. 10/- (Rupees Ten only) each and 10,00,00,000 (Ten Crore) Equity shares of Rs. 10/- (Rupees Ten only) each consisting an increase of Rs. 40,00,00,000 (Forty Crore Only) by creation of 4,00,00,000 (Four Crore) equity shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.

The proposed increase in Authorised Share Capital requires the approval of Members in General Meeting. Consequent upon increase in Authorised Share Capital, the Memorandum of Association and Articles of Association of the Company will require alteration so as to reflect the increased Authorised Share Capital.

The proposed Resolution is in the interest of the Company and your Directors recommend the same for your approval as a Special Resolution.

None of the Directors and Key Managerial Personnel(s) of the Company or their relatives are directly or indirectly concerned or interested in this Resolution, other than their shareholding in the Company.

Item No.02:

The Companies Act, 2013, has prescribed a new format of Memorandum of Association (“MOA”) for companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by deleting the Objects under Clause III (C) – “Other Objects” (sub clause no. 38 to 72). Further the Clause III (B) – “Objects Incidental or Ancillary to the attainment of the Main Objects” is proposed to be renamed as Clause III (A) and III (B) of the Object Clause and considering the Capital Clause of the MOA shall also be revised in order to capture the increase in the Authorised Share Capital of the Company.

The Board at its meeting held on 05th October, 2021 has approved the proposed alteration of the MOA of the Company and the Board of Directors proposes the amendment for approval of members as a Special resolution. Further, there is no revision in the Main Objects or the line of activity of the Company, as stated in the main objects and the same shall continue to remain the same and the draft copy of new draft Memorandum of Association of the Company would be available for inspection by the members at the Registered Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of EGM and also at the venue of the meeting.

None of the Directors and Key Managerial Personnel(s) of the Company or their relatives are directly or indirectly concerned or interested in this Resolution.

Item No. 03:

The Companies Act, 2013, has prescribed a new format of Articles of Association (“AOA”) in which several regulations / articles of the existing Articles of Association (“AOA”) of the Company require alteration or deletion pursuant to changes in applicable laws of the Companies Act, 2013 and to bring the same in line it is considered necessary and expedient to entirely replace the existing AOA by a new set of Articles of Association.

The Board at its meeting held on 05th October, 2021 has proposed adoption of new set of AOA of the Company and seeks Members approval as a Special resolution and the draft copy of new draft Articles of Association of the Company would be available for inspection by the members at the Registered Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of EGM and also at the venue of the meeting.

None of the Directors and Key Managerial Personnel(s) of the Company or their relatives are directly or indirectly concerned or interested in this Resolution.

Item No. 04:

Pursuant to the Provision of Section 23, 42, 62 and 71 and other applicable provisions of the Companies Act, 2013 and applicable Regulations of Securities and Exchange Board of India and subject to all other concerned authorities' approvals, the Company had obtained the consent of the Shareholders in the Annual General Meeting held on 28th August, 2021 for raising capital not exceeding Rs. 300 Crores and propose to increase aforesaid limit from Rs. 300 Crores to Rs.500 Crores through issue of eligible Securities of the Company.

The earlier proposal for fund raising through issue of securities was being considered for up to Rs. 300 Crore. However, in view of the current economic scenario, improved overall market conditions and the interest of investors in the real estate sector Companies, the Board of Directors recommends the increase in the quantum of issue size from Rs. 300 Crores to Rs. 500 Crores.

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and provision of the Section 62 of the Companies Act, 2013 read with rule 13 (2) (e) of Companies (Share Capital and Debentures) Rules, 2014 such Resolution is valid for a period of 12 months from the date of passing of Resolution.

The Board is seeking an enabling resolution for raising capital by way of public or private placement including QIP to strengthen the capital base of the Company, implementation of Ongoing Projects, acquisition of land parcels, working capital requirement, repayment of existing indebtedness of the Company, expansion of the existing business of the Company and to fund general corporate purposes.

The fund raising may be through a mix of equity/equity linked instruments, as may be deemed appropriate. Shareholder's approval is sought for the issue of Equity Shares or such other securities linked to or convertible into Equity Shares or depository receipts of the Company. Shareholder's approval is sought for issuing any such instrument as the Board may deem appropriate to parties who may or may not be an existing shareholder of the Company. Whilst no specific instrument has been identified at this stage, in the event the Company issues any equity linked instrument, the issue will be structured in a manner such that the additional equity share capital/securities that may be issued pursuant to the above resolution would not be more than Rs. 500 Crores (Rupees Five Hundred Crores Only) including premium. The equity shares, if any, allotted on issue/ conversion of Securities shall rank in all respects pari-passu with the existing Equity Shares of the Company.

The Company may issue securities by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations. The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the securities will be decided by the Board or a Committee constituted by the Board for this purpose, based on an analysis of the specific requirements after consulting all concerned. Therefore, the proposal seeks to confer upon the Board/the committee of the Board the absolute discretion to determine the terms of issue in consultation with the Lead Manager to the issue.

As per Chapter VI of the SEBI ICDR Regulations, an issue of securities on QIP basis shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the 'relevant date'. The Board/ the Committee of the Board may, at its absolute discretion, issue securities at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the 'floor price' as determined in terms of the SEBI ICDR Regulations subject to provisions of Section 53 of the Companies Act, 2013.

As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the price of securities to be

- i. in case of allotment of equity shares, the date of meeting in which the Board/Committee decides to open the proposed issue;
- ii. in case of allotment of eligible convertible securities, either the date of the meeting in which the Board/Committee decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

The Stock Exchanges for this purpose are the BSE Limited and National Stock Exchange of India Limited.

In case of QIP issuance the proposed special resolution shall be valid for a period of 12 months from the date of shareholder's approval, before which the Company is required to complete the allotments under the authority of said resolution.