

Prakash Steelage Limited



Registered office: 701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai – 400 026
CIN No: L27106MH1991PLC061595; E-Mail: investorsgrievances@prakashsteelage.com
Website:www.prakashsteelage.com; Tel Nos: 022-23526513; Fax Nos: 022-23526576

NOTICE OF POSTAL BALLOT **(Pursuant to Section 110 of the Companies Act, 2013)**

To,
The Members,
Prakash Steelage Limited

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, (including any statutory modification or re-enactment thereof for the time being in force) (the “Rules”) that the resolutions appended below are proposed to be passed by the Members by way of Postal Ballot:

1. Alteration of objects in the Memorandum of Association of the Company;
2. Adoption of new set of Articles of Association of the Company as per Companies Act, 2013;
3. Reconfirmation of the existing authorisation to the Board of Directors of the Company to borrow within the approved Limits ;
4. Creation of mortgage/ Pledge/ charge on the assets of the Company;
5. Creation of Joint Venture Company and for related party transaction viz. investment in Equity Shares and Sale of Undertaking to the said Joint Venture;
6. Sale of Umbergaon Unit to the proposed Joint Venture Company; and
7. Appointment of Ms. Neetta Bokaria (DIN: 07101224), as an Independent Director.

The Statement setting out the material facts pertaining to the said Resolutions and the reasons thereof is annexed hereto along with a Postal Ballot Form.

The Company has appointed Mr. S. Anantha Rama Subramanian, Practising Company Secretary, (FCS: 4443; C.P. No. 1925), Mumbai, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Pursuant to Clause 35B of the Equity Listing 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 shall only 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 Thursday, February 26, 2015 till Friday, March 27, 2015 upto 5:30 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 and signed in the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before the close of working hours i.e., 5:30 p.m. on Friday, March 27, 2015, failing which it will be treated as if no reply has been received from the concerned Member(s).

The Scrutinizer will submit his report to the Company after the completion of the scrutiny on or before March 30, 2015 and the results of the Postal Ballot will be announced on or before **Monday, the 30th day of March, 2015** at 04:00 p.m. at the Company's Registered Office at **701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai – 400 026** and will be displayed along with the Scrutinizer's report, on the website of the Company (www.prakashsteelage.com)

Besides being communicated to BSE and NSE, the result of the Postal Ballot will be subsequently published in atleast one English and one vernacular newspaper circulating in Mumbai. The date of declaration of the result of the postal ballot shall be the date on which the resolution(s) would be deemed to have been passed, if approved by requisite majority.

Item of Special business requiring consent of shareholders through Postal Ballot:

1. Alteration of Objects of the Memorandum of Association of the Company

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded for alteration of the Memorandum of Association of the Company by insertion of the following sub-clause as 2(a) after the sub-clause No.2 under III (A) of Memorandum of Association of the Company:

- 2(a) To carry on the business as developers and for that purpose to purchase, acquire, own process, buy, sell, re-sell and to deal in land structures and estates, other immovable properties and to develop industrial park, co-operatives, housing schemes, township and prepare for building sites, constructing, re-constructing, erecting, altering, improving, enlarging, developing, decorating and furnishing houses, buildings, hotels, motels, resorts, flats, factories, shops, offices, garages, warehouses, workshops, hospitals, nursing homes, clinics, halls, theatres, roads, all kinds of infrastructure, palaces etc.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

2. Adoption of new set of Articles of Association of the Company as per Companies Act, 2013

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded for the deletion of all the Articles of the existing Articles of Association of the Company and substitute the same with the new set of Articles of Association and the said new set of Articles of Association be and are hereby adopted as the Articles of Association of the Company in substitution for, and to exclusion of, all the existing articles thereof.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee of the Board thereof) be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

3. Reconfirmation of the existing authorisation to the Board of Directors of the Company to borrow within the approved limits

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution**:

“RESOLVED THAT in reconfirmation of the resolution passed at the Extraordinary General Meeting of the Members of the Company held on 10th November, 2009, and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, Foreign Exchange Management Act, 1999 including Rules and Regulations framed thereunder, (including any statutory modification thereof and circulars, notifications, clarifications, rules passed thereunder from time to time) and subject to any other approval, if required, consent of the Members of the Company be and is hereby accorded to the Board of Directors or Committee thereof to borrow by way of loans / debentures/bonds/deposits or such securities/instruments (whether secured or unsecured) for the purpose of the business of the Company not exceeding Rs.500 Crores either in Indian Rupees or in Foreign Currency from time to time from any bank(s) or any financial institution(s) or any other institution(s), firm(s), body corporate(s) or other person(s) or from any other source in India or outside India for the purpose of working capital and other requirements of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof be and are hereby authorized to do all such acts, deeds, as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interests of the Company, as it may deem fit.”

4. Creation of Mortgage/ Pledge / Charge on the Assets of the Company

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed 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 (including any statutory modification thereof and circulars, notifications, clarifications, rules passed thereunder from time to time), consent of the Members of the Company be and is hereby accorded to the Board of Directors or Committee thereof to mortgage, pledge and/or create, modify charge on all or anyone or more of the movable/and/or immovable properties or such other assets of the Company, wheresoever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of the National / International Financial Institutions /Banks /Multilateral Institutions or such persons /Institutions /Companies, etc. hereinafter referred as “the Lenders” and Trustees to the Lenders & Bondholders to secure any Term Loans /Cash Credit Facilities / Debentures /Bonds or the like, obtained/or to be obtained from any of the aforesaid Lenders together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or on redemption, cost, charge(s), expenses and all other monies payable by the Company to such Lenders under the respective loan /other agreement(s) entered/to be entered into between the Company and the Lender(s) in respect of the said borrowing(s), such security to rank in such manner as may be agreed to between the concerned Lenders /parties and as may be thought expedient by the Board or Committee thereof;

RESOLVED FURTHER THAT the Board of Directors or Committee thereof be and are hereby authorised to do all such acts, deeds, as the Board may, in its absolute discretion, consider necessary, expedient or desirable to create charges/mortgages/pledges on assets of the Company, including power to sub-delegate to any Director or Committee of the Board of Directors and to modify / amend the existing charges/mortgages/pledges, if any, created on the assets of the Company, as may be required by the Lenders, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interests of the Company, as it may deem fit;

RESOLVED FURTHER THAT the Board of Directors or Committee thereof be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute with the Lenders/Trustees the requisite agreements, documents, deeds and writings for creating the aforesaid mortgage(s) and/or charge(s)/pledge on such terms and conditions as the Board of Directors or Committee thereof may consider necessary and expedient in their absolute discretion and to do all such other acts, deeds and things as may be necessary to give effect to the above resolution.”

5. Creation of Joint Venture Company and for related party transaction viz. investment in Equity Shares and Sale of Undertaking to the said Joint Venture Company

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution:**

“RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), Memorandum and Articles of Association of the Company and any other law for the time being in force and subject to such other consents, permissions and sanctions, as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee thereof) to enter into any agreement with Tubacex S.A., a company incorporated in Spain, for the purpose of creation of a Joint Venture Company (JVC), which initially will be a wholly owned subsidiary of Prakash Steelage Limited (“The Company / PSL”) and

- a) to invest in one or more tranches, by investment in cash and / or by consideration, in the Equity Shares in the said proposed JVC, as the Board may deem fit and on such terms and conditions as may be mutually agreed between the Joint Venture parties;

and

- b) to enter into any agreement to sell, transfer, assign, convey, lease and deliver or cause to be sold, assigned, transferred and delivered the stainless steel, seamless pipes and tubes business of the Company (Business) including the Umbergaon unit (hereinafter referred to as (“the said Unit”) together with all its assets (including the assets under construction, if any and assets that are being acquired capital expenditure plans, if any, of the said division and liabilities/ obligations as allocable to the said division, in whole or in part other than that of the Welded Division) on a going concern basis through a Slump Sale Agreement to the proposed JVC, on any such date, for a consideration as detailed in the Statement as per Section 102 of Companies Act, 2013, setting out the material particulars of the proposed transaction annexed and forming part of this resolution, as the Board may deem fit and on such terms and conditions (including without limitation, mode of receipt of the sale consideration) as may be mutually agreed between the parties;

- c) Subject to fulfillment of certain conditions, Prakash Steelage Limited shall sell the Additional Land, admeasuring of about 16,188 Sq. Mtrs. to the JVC for an additional consideration of about Rs. 20 Crores.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including varying and finalizing the terms and conditions of the documents mentioned above in relation to the joint venture and the sale/transfer the Business and to finalize and execute, deliver and perform all such agreements (including but not limited to business transfer agreement), contracts, deeds, undertakings, and other documents, file applications and make representations in respect thereof and seek requisite approvals from the relevant authorities, including Governmental authorities, and take any and all steps in relation to the above that it may, in its absolute discretion, deem necessary, appropriate, desirable or expedient to give effect the above resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

6. Sale of Umbergaon Unit to the proposed Joint Venture Company

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution:**

“RESOLVED THAT pursuant to Section 180(1)(a), and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), Memorandum and Articles of Association of the Company and any other law for the time being in force and subject to such other consents, permissions and sanctions, as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee thereof) to sell, transfer, assign, convey, lease and deliver or cause to be sold, assigned, transferred and delivered the stainless steel, seamless pipes and tubes business of the Company (Business) including the Umbergaon Unit of the Company (herein after referred to as the said Unit) together with all its assets (including the assets under construction, if any, and the acquisition under the ongoing capital expenditure plans, if any, of the said division and liabilities/ obligations as allocable to the said division, in whole or in part other than that of the Welded Division), on a going concern basis through a Slump Sale Agreement, to the proposed Joint Venture Company (JVC), on any such date for a consideration as detailed in the Statement

as per Section 102 of Companies Act, 2013, setting out the material particulars providing the material particulars of the proposed transaction annexed and forming part of this resolution, as the Board may deem fit and on such terms and conditions (including without limitation, mode of receipt of the sale consideration) as may be mutually agreed between the parties.”

“**RESOLVED FURTHER THAT** subject to fulfillment of certain conditions, PSL shall sell the Additional Land, admeasuring of about 16,188 Sq. Mtrs to the JVC for an additional consideration of Rs. 20 Crores.”

“**RESOLVED FURTHER THAT** the Board be and are hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including varying and finalizing the terms and conditions of the documents mentioned above in relation to the joint venture and the sale/transfer the Business and to finalize and execute, deliver and perform all such agreements (including but not limited to business transfer agreement), contracts, deeds, undertakings, and other documents, file applications and make representations in respect thereof and seek requisite approvals from relevant authorities, including Governmental authorities, and take any and all steps, desirable or expedient to give effect the above resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

7. Appointment of Ms. Neetta Bokaria (DIN: 07101224), as an Independent Director of the Company

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (“the Act”), and the applicable provisions of the Listing Agreement, Ms. Neetta Bokaria (DIN: 07101224), in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office effective from the date of passing of this resolution i.e. with effect from 30th March, 2015 to 29th March, 2020 and whose period of office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorised to do all acts, deeds and things, which may be necessary, expedient, proper or usual in order to give effect to the above resolution and to file necessary e-forms with the Ministry of Corporate Affairs.”

For Prakash Steelage Limited

Sd/-

**Prakash C. Kanugo
Chairman & Managing Director
DIN: 00286366**

**Place: Mumbai
Date: 19.02. 2015**

Notes:

1. Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, read with Section 110 of the Companies Act, 2013 is annexed hereto.
2. The Notice is being sent under Registered Post Acknowledgment Due to all the Members, whose names would appear in the Register of Members /Record of Depositories as on **February 13, 2015**. The members who have registered their e-mail IDs for receipt of documents in electronic mode will be sent by e-mail. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of the Members as on **February 13, 2015**.
3. The Board of Directors has appointed Mr. S. Anantha Rama Subramanian, Practising Company Secretary (FCS: 4443; C. P. No. 1925) as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. A copy of each of the documents referred to in the accompanying Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, is open for inspection at the Registered Office of the Company between

10:00 a.m. to 12:00 noon on any working day excluding Saturday and Sunday till the last date for receiving Postal Ballot Forms by scrutinizer i.e. Friday, March 27, 2015.

5. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members. Shareholders are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.
6. The details of dispatch of Notice and Postal Ballot Paper to the members will be published in at least one (1) English and one (1) Vernacular language newspaper circulating in Maharashtra.
7. Members are requested to carefully read the instructions printed on the back side of the Postal Ballot Form before exercising their vote.
8. The result of the Postal Ballot shall be declared by the Chairman, or in his absence by Company Secretary, on or before Monday, the 30th day of March, 2015, at 04:00 p.m. at the Registered Office of the Company at **701, MAHALAXMI CHAMBERS, BHULABHAI DESAI ROAD, MAHALAXMI, MUMBAI – 400 026** and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the results of the Postal Ballots indicate that the requisite majority of the Shareholders had assented to the Resolutions. Members who wish to be present at the venue at the time of declaration of the result are welcome to do so. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company (www.prakashsteelage.com) and will also be informed to the Stock Exchanges.
9. Any query/grievance may please be addressed to Ms. Pallavi P. Shedge, Company Secretary with respect to the voting by Postal Ballot including voting by electronic means at: **Email id:** cs@prakashsteelage.com or Tel.: [022-6613 4500](tel:022-66134500); Fax: [022-6613 4599](tel:022-66134599)
10. Members are requested to carefully read the instructions printed on the back side of the Postal Ballot Form before exercising their vote.

Instruction for e-voting

The instructions for members for voting electronically are as under:

(A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select “**Prakash Steelage Limited**” from the drop down menu and click on “SUBMIT”
- (iv) 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
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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"> 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 the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence 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 serial number 1 then enter RA00000001 in the PAN field.
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	<ul style="list-style-type: none"> Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. 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 member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant “**Prakash Steelage Limited**” on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of Members' receiving Postal Ballot Form by Post and desiring to cast e-vote:

(i) Initial password is provided at the bottom of the Postal Ballot Form

(ii) Please follow all steps from Sl. No. (i) to Sl. No. (xiv) of (a) above, to cast vote

(iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of: <http://www.evotingindia.com>

(iv) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.

(v) 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)

ANNEXURE TO NOTICE

Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013:

Item No.1:

Considering the potential of the real estate and the infrastructure industry, that too with the proposal for 'Smart Cities' etc. the Board of Directors has proposed subject to approval of the members and such other statutory approvals, if any, to alter the Memorandum of Association of the Company by inserting sub-clause 2 (a) under sub-clause 2 of the Clause III A. Main objects of the Company. Further, the Company already having certain business expertise in this sector with the recent Strategic Alliance in Umbergaon developing the barren and unused land, it would be appropriate and conducive to the existing activities of manufacture of steel pipes and tubes, one of the prime components in the Real Estate and Infrastructure industries. Though the various sub-clauses of the incidental and ancillary objects provide for carrying out such business activities for a better business performance, the Board of Directors recommend insertion of the above-mentioned sub-clause as provided in the Notice of the postal ballot, by passing as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is deemed to be concerned or interested, either financially or otherwise, except to the extent of their shareholding in the said Special Resolution.

The Proposed amended Memorandum of Association of the Company is also available for inspection at the registered office of the Company on all working days between 10:00 a.m. to 12:00 noon excluding Saturday and Sunday.

The Board of Directors of the Company recommends the Resolution as set out in **Item No. 1** of the accompanying Notice for approval of the members of the Company through Postal Ballot as a **Special Resolution**.

Item No. 2:

The Articles of Association of the Company as currently in force was originally adopted when the Company was incorporated under the Companies Act, 1956, and further amendments were adopted pursuant to the provisions from time to time, over the past several years. The references to specific sections of the Companies Act, 1956, in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013. Considering that substantive sections of the Companies Act which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013, including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013, which sets out the model Articles of Association for a company limited by shares.

While some of the Articles of the existing Articles of Association of the Company require alteration or deletions, therefore it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles. As per the provisions of Section 14 of the Companies Act, 2013, a Company cannot, except with the approval of the members, alter its Articles of Association. Members' approval is therefore sought by means of postal ballot to adopt new set of Articles of Association by substitution of existing Articles of Association.

The Proposed new draft of Articles of Association of the Company is also available for inspection at the registered office of

the Company on all working days between 10:00 a.m. to 12:00 noon excluding Saturday and Sunday.

None of the Directors, Key Managerial Personnel of the Company or their relatives is deemed to be concerned or interested, either financially or otherwise, except to the extent of their shareholding in the said Special Resolution.

The Board of Directors of the Company recommends the Resolution as set out in **Item No.2** of the accompanying Notice for approval of the members of the Company through Postal Ballot as a **Special Resolution**.

Item No.3 & 4

The Members of the Company, at the Extra-ordinary General Meeting held on 10th November, 2009 had authorised the Board of Directors to borrow upto a limit of Rs. 500 Crores.

In order to remain in compliant with the relevant provisions on borrowings and creation of security under the Companies Act, 2013, the consent of the members is required by way of proposed Special Resolution(s) under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013.

All the material documents referred to in the accompanying Notice shall be open for inspection by the Members at the Registered Office of the Company during office hours on all working days from 10:00 a.m. to 12:00 noon up to the last date of receipt of the postal ballot.

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

The Board of Directors of the Company recommends the Resolution as set out in **Item No. 3 & 4** of the accompanying Notice for approval of the members of the Company through Postal Ballot as **Special resolutions**.

Item No. 5 & 6

The Company is into the business of manufacturing stainless steel, seamless and welded pipes and tubes. The Company has two plants viz. one situated at Silvassa and other one at Umbergaon, Gujarat. While the Umbergaon plant is into manufacture of seamless and welded pipes, tubes, Utubes, the Silvassa Plant manufactures welded pipes and tubes. The Company's products are exported to more than 40 countries across the world and the majority of the exports to USA.

Considering the intense competitive international business environment in terms of pricing, technology and funds, the Board of Directors intends to bring in Strategic party to remain relevant and competitive globally. In this regard the Board of Directors has identified Tubacex S.A., a company incorporated in Spain, which is the largest company in the World in the field of Stainless Steel, Seamless Tubes and Pipes and having a huge capacity and presence in over 100 countries across the World and which has expressed their willingness to come as a Joint Venture partner in the field of manufacture of Stainless Steel seamless tubes and pipes, subject to the terms and conditions agreed upon.

Considering the business interests of the Company and all its stakeholders, the Board of Directors consequently has proposed, subject to the approval of the members of the Company and its bankers and such other approvals, if any, to sell the Stainless Steel seamless pipes and tubes business of the Company (Business) including the Umbergaon unit (hereinafter referred to as the 'Unit') together with all its assets (including the assets under construction, if any, and assets that are being acquired capital expenditure plans, if any, of the said division and liabilities/ obligations as allocable to the said division, in whole or in part other than that of the Welded Division), on a going concern basis through a Slump Sale Agreement, to the proposed JVC which initially will be a wholly owned subsidiary of Prakash Steelage Limited ("The Company / PSL") to be formed for this purpose.

The Shareholding percentage of the Joint Venture Company (JVC) subsequent to said transactions will be in the following manner:

Sr. No.	Name of the Joint Venture partner	% of shareholding
1.	Prakash Steelage Limited (PSL)	32.47
2.	Tubacex S.A.	67.53

The following consideration to be received by **Prakash Steelage Limited (“The Company / PSL”)** against the sale of the Umbergaon Unit to the said Joint Venture Company:

- a) Payment of Rs.209.16 Crores by the JVC to the Company; and
- b) Allotment of Equity Shares equivalent to 32.47% of the paid-up Equity Share Capital of the JVC at par subscribing Rs.3.247 Crores and the Joint Venture partner Tubacex S.A., will be investing Rs.253.66 Crores for 67.53% shareholding in the said JVC. However in future, in case PSL does not subscribe to the offer of any further shares by the JVC, the percentage of PSL's shareholding may further come down to the extent the said offer is subscribed by Tubacex S. A.
- c) The current book value of the Umbergaon plant / the Seamless Division viz. the excess of the total value of assets (both immovable and movable) over the outstanding liabilities is about Rs.90 Crores.

Other broad terms and conditions of the proposed transaction are as given below:

- 1) Tubacex, S.A. shall remit the amount of Rs. 253.66 Crores to the JVC for subscription to the Shares.
- 2) JVC shall pay Rs.209.16 Crores to the Company (subject to certain adjustments with respect to receivables, payables and others).
- 3) The Company shall subscribe Rs.3.247 Crores to hold 32.47% of the shareholding in JVC and the percentage of shareholding may be reduced, if PSL does not subscribe to the offer by JVC, if any, in future as mentioned above.
- 4) Subject to fulfillment of certain conditions, the Company shall sell the Additional Land, admeasuring of about 16,188 Sq. Mtrs. to the JVC for an additional consideration of Rs.20 Crores.
- 5) Composition of the Board

On and from the Closing Date, the Company shall have the right to have 2 (two) nominee directors on the Board (“PSL Directors”) and the TUBACEX, S.A. shall have the right to have 3 (three) nominee directors on the Board (“TUBACEX, S.A. Directors”). The PSL Directors shall be executive directors of the JVC and shall be involved in the management of the JVC, for an agreed period of time.

- 6) TUBACEX, S.A. shall have the right (and not the obligation) (“Call Option”) to buy all, but not less than all, the Shares held by the PSL (“Call Shares”) anytime between April 1, 2018 and March 31, 2020 (“Call Option Exercise Period”).

Subject to Applicable Law, the price of the Call Shares shall be the fair market value (“Call Price”) which shall be determined as follows:

Based on the EBITDA of the JVC at the end of the financial year immediately preceding the Call Option Exercise Period, the Call Price shall be as indicated in the chart below, subject to the Call Price not being below the minimum and not exceeding the maximum as set out in sub-clause (ii) below:

EBITDA (in INR millions)	560	640	720	800	920
CASH CONSIDERATION (in INR millions)	1,216	1,392	1,568	1,736	2,000

- 7) Prakash Steelage Limited (PSL) agrees and undertakes that in furtherance of the trade, goodwill and business of the JVC, on and from the Agreement Date and so long as PSL is a shareholder of the JVC and for 1 (one) year thereafter or 1 (one) year from the expiry of the Call Option Exercise Period provided the JVC Share Selling process has been commenced by PSL, whichever is earlier (“Restricted Period”), it will not and will procure that its Associated Parties do not (directly or indirectly through any other Person or otherwise, whether in its own capacity or in conjunction with or on behalf of any Person, as an employee of or advisor or shareholder or consultant of any other Person, firm or company), compete with or undertake business similar to the Business. PSL shall cause its promoters Mr. Prakash C. Kanugo and Mr. Ashok M. Seth to execute an undertaking not to engage in any business similar to the Business or which competes with the Business during the Restricted Period. PSL agrees and undertakes that it shall not license the name “Prakash” to any Competitor during the Restricted Period.

Considering the significant influence and control on the proposed Joint Venture Company by the Company, the JVC is an Associate Company and falls within the definition of Related party. Hence, in terms of Section 188 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014, the above-mentioned transaction can be treated as Related Party transaction and the Board of Directors of the Company seeks the consent of the shareholders by way of a special resolution with respect to the proposed sale or otherwise dispose off the whole or substantially the whole of the undertaking of the Company located in Umbergaon, as detailed in the resolution and the material particulars of the Unit as mentioned above.

Further in terms of Section 180(1)(a) of the Companies Act, 2013, a company cannot sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company without the consent of the shareholders by way of a special resolution at the general meeting of the Company.

In terms of explanation to Section 180(1)(a), the term ‘undertaking’ means an undertaking in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the Company during the previous financial year. Further, the expression ‘substantially the whole of the undertaking’ in any financial year shall mean 20% percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year. The proposed sale of Umbergaon unit may tantamount to sale of the whole of the undertaking of the Company in terms of Section 180(1)(a) of the Companies Act, 2013, and hence it is necessary to obtain consent of the shareholders by way of special resolution.

The Consideration to be received on sale and transfer of said undertaking is proposed to be utilized in paying off the Company’s debts, payment of taxes and to make further investments in other divisions, which will be beneficial to all the stakeholders of the Company.

All the material documents referred to in the accompanying Notice shall be open for inspection by the Members at the Registered Office of the Company during office hours on all working days from 10:00 a.m. to 12:00 noon up to the last date of receipt of the postal ballot.

None of the Directors, Key Managerial Personnel of the Company or their relatives is deemed to be concerned or interested, either financially or otherwise, except to the extent of their shareholding in the said Special Resolution.

The Board of Directors of the Company recommends the Resolutions as set out in Item **No. 5 & 6** of the accompanying Notice for approval of the members of the Company through Postal Ballot, as **Special Resolutions**.

Item No. 7

Upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on February 13, 2015, has proposed the appointment of Ms. Neetta Bokaria (DIN: 07101224) as an Independent Woman Director of the Company.

Ms. Neetta Bokaria is a Commerce Graduate and an internationally well known Vastu Consultant. She has achieved various accolades in the field of Vastu, and is also an active member of various NGOs engaged in upliftment of the Society and empowerment of the Society in General and empowerment of women in particular.

Ms. Neetta Bokaria does not hold directorship in any other Company and does not hold any share of the Company.

Since, Ms. Neetta Bokaria fulfils the criteria for appointment as an Independent Director in terms of the requirements of the various provisions of the Companies Act, 2013, and the Listing Agreement, her appointment as an Independent Director of the Company by the Members is recommended, especially considering her international repute and social activities. Hence on approval by the Members of her appointment as an Independent Director she will hold the office for a period of five years from date of passing of the resolution by the members upto 29th March, 2020 and she shall not be liable to retire by rotation during her said tenure. The Company has received a notice from a member proposing Ms. Neetta Bokaria as a candidate for the office of Director of the Company along with the requisite deposit in accordance with Section 160 of the Act.

The terms and conditions for appointment of an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working days, excluding Saturday and Sunday from 02:00 p.m. to 5:00 p.m. up to the last date of receipt of the postal ballot. The same is also available on the website of the Company (www.prakashsteelage.com)

Considering Ms. Neetta Bokaria's international repute in the field of Vastu and social activities, her appointment would be beneficial to the Company. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Neetta Bokaria as an Independent Director, for the approval of the Members of the Company

Except Ms. Neetta Bokaria, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relative(s) is concerned or interested, financially or otherwise in the resolution set out at **Item No. 7**.

This Statement setting out the material facts may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges

Details of Directors seeking appointment / re-appointment as required under Clause 49 of the Listing Agreement with the Stock Exchange:

Name of Directors	Date of Birth	Date of appointment	Qualification & Experience in specific functional area	Directorships held in other Public Companies*	Memberships/ Chairmanships of committee in other Public companies*	Shareholding, if any, in the Company
Neetta K. Bokaria (DIN: 07101224)	17.02.1963	Nil	B.Com An internationally well known Vastu Consultant. She has achieved various accolades in the field of Vastu, and is also an active member of various NGOs engaged in upliftment of the Society and empowerment of the Society in General and empowerment of women in particular.	Nil	Nil	Nil

*Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies of New Companies Act, 2013 and of companies incorporated outside India and Prakash Steelage Limited.

**This includes membership / chairmanship of Audit Committee and Shareholders' / Investors' Grievances Committee only.

For Prakash Steelage Limited
Sd/-

Place: Mumbai
Date: 19.02.2015

Prakash C. Kanugo
Chairman & Managing Director
DIN: 00286366