



PRATIBHA INDUSTRIES LIMITED

CIN: L45200MH1995PLC090760

Head Office : 14th Floor, Universal Majestic, Behind RBK School, Ghatkopar Mankhurd Link Road, Off Eastern Express Highway, Govandi, Mumbai - 400043, Maharashtra, INDIA
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POSTAL BALLOT NOTICE

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 44 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations to transact the following special businesses by the members of **Pratibha Industries Ltd** by passing the resolutions through postal ballot:

SPECIAL BUSINESS:

1. Increase in Authorised Share Capital of the Company and Alteration of Capital Clause in the Memorandum of Association of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereto or re-enactment thereof for the time being in force), the consent of Members of the Company be and is hereby accorded to increase the authorized share capital of the Company from existing Rs.40,00,52,000 (Rupees Forty Crore and Fifty-two Thousand only) divided into 20,00,26,000 (Twenty Crore and Twenty-six Thousand) equity shares of Rs.2/- (Rupees Two) each to Rs.70,00,00,000 (Rupees Seventy Crore only) divided into 35,00,00,000 (Thirty-five Crore) equity shares of Rs.2/- (Rupees Two) each, by way of creation of an additional 14,99,74,000 (Fourteen Crore, Ninety-nine Lac and Seventy-Four Thousand) equity shares of Rs.2/- (Rupees Two) each, aggregating to Rs.29,99,48,000 (Rupees Twenty-nine Crore, Ninety-nine Lac and Forty-eight Thousand only) and the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted and replaced with the following clause:-

"V. The Authorized Share Capital of the Company is Rs.70,00,00,000 (Rupees Seventy Crore only) divided into 35,00,00,000 (Thirty-five Crore only) equity shares of Rs.2/- (Rupees Two) each with power to increase and decrease the capital of the Company and to divide or subdivide the shares in capital for time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board in accordance with the Articles of the Company for the time being and to modify or abrogate of any such rights, privileges or conditions in such manner as may be permitted by the Act, or provided by the Articles of the Company for the time being in force."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary and to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this resolution."

2. Conversion of Debt into Equity Shares of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 62 and other applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, applicable provisions of Uniform Listing Agreement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reserve Bank of India (RBI) Circulars dated 8th June, 2015, 24th September, 2015 and 25th February, 2016 ("RBI Circulars"), applicable rules, regulations, notifications, amendments issued by Government of India, RBI and any other regulatory or other appropriate authorities and subject to such condition(s) as may be prescribed by one or more of them while granting any such approval(s), consent(s), permission(s) and/ or sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any Committee which the Board has constituted or may constitute to exercise its powers including the powers conferred under this resolution or any person duly authorised by the Board in this behalf) and enabling provisions of the Memorandum and Articles of Association of the Company and pursuant to the invocation of Strategic Debt Restructuring (SDR) by Joint Lenders Forum (JLF) in terms of RBI Circulars, consent, authority and approval of the Company be and is hereby accorded to the Board to issue and allot in one or more tranches such number of equity shares of face value of Rs.2/-each fully paid up as determined in accordance with RBI Circulars and as more particularly set out in the explanatory statement attached, to its Lenders on preferential basis in such manner and on such other terms and conditions as may be mutually agreed between the Board and the JLF so that the part of the outstanding debt upto an amount of Rs.707,38,77,450/- (Rupees Seven Hundred and Seven Crore, Thirty-eight Lac, Seventy-seven Thousand, Four Hundred and Fiftyonly) payable to such Lenders by the Company is converted into upto 23,57,95,915 (Twenty-three Crore, Fifty-seven Lac, Ninety-five Thousand, Nine Hundred and Fifteen) equity shares of the Company, enabling Lenders collectively to hold minimum 51% or more of the total equity share capital of the Company;

RESOLVED FURTHER THAT the Reference Date/ Relevant Date in relation to pricing of the aforesaid issue of equity shares, in accordance with the RBI Circulars and SEBI ICDR Regulations would be 16th June, 2016, being the date when the JLF invoked SDR;

RESOLVED FURTHER THAT the new equity shares arising out of the proposed issue shall rank pari-passu in all respects with the existing equity shares of the Company and shall be listed on the Stock Exchanges where the existing equity shares of the Company are listed;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary and to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this resolution including to modify, accept and give effect to any modifications in the terms and conditions of the matter(s) as may be required by the statutory, regulatory and other appropriate authorities (including but not limited to SEBI, RBI, JLF, etc.) and such approvals and as may be agreed by the Board in its absolute discretion without being required to seek any further consent or approval of the members or otherwise with the intent that the members shall be deemed to have given their approval thereto expressly by authority of this resolution.”

Registered Office

Shrikant Chambers,
5th Floor, Phase – II,
Next to R. K. Studio,
Sion Trombay Road, Chembur,
Mumbai - 400 071.

CIN: L45200MH1995PLC090760

Date : 21st September, 2016

Place : Mumbai

**By Order of the Board of Directors
For Pratibha Industries Limited**

**Rajesh Hegde
Company Secretary**

Notes:

1. The Explanatory Statement for the proposed Resolutions under Item No. 1& 2 pursuant to Section 102 of the Companies Act, 2013 (“Act”) read with Section 110 of the Act, setting out material facts are annexed herewith.
2. Mr. Dinesh Kumar Deora, Practicing Company Secretary (Membership No.FCS-5683) has been appointed by the Board of Directors of your Company as “the Scrutinizer” for conducting the postal ballot / e-voting process in a fair and transparent manner.
3. The Notice is being sent to all the members, whose names appear on the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on the close of 30th September, 2016. The notice will also be placed on the website of the Company (www.pratibhagroup.com) and such notice will remain on the website until the last day of receipt of postal ballots from the Members.
4. The cut-off date for reckoning the voting rights for casting votes in the postal ballot process shall be 30th September, 2016 i.e. voting rights of shareholders will be reckoned as per their respective shareholding in the Company as on the close of 30th September, 2016.
5. The Postal Ballot Form and the self –addressed business reply envelope are enclosed for use of members. Members are requested to carefully read the instructions printed on the Postal Ballot Form and Notice before exercising their vote. Shareholders exercising their voting rights through Postal Ballot Form shall return the completed form in the enclosed self-addressed postage pre-paid envelope (if posted in India), so as to reach the Scrutinizer on or before 5.00 p.m. on Saturday, 5th November, 2016, the last date for receipt of the completed Postal Ballot Forms. The postage on the enclosed self-addressed postage pre-paid envelope shall be borne and paid by the Company.
6. Members who have registered their email IDs for receipt of documents in electronic mode under the green initiative of the Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post/ courier service along with Postal Ballot Form. Members have the option to vote either through e-voting or through Postal Ballot Form. Members who received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link provided in email or www.pratibhagroup.com or seek duplicate Postal Ballot Form from Link Intime India Private Limited, the Registrar and Share Transfer Agents of the Company.
7. Relevant documents referred to in the Notice and the accompanying Statement are kept open for inspection by the members at the Registered Office and the Corporate Office of the Company on all working days during business hours upto the date of the conclusion of voting.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their

right to vote by electronic means as an alternate mechanism. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-Voting in order to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Please note that e-Voting is optional.

10. Kindly note that the shareholders can opt only one mode of voting, i.e., either by Physical Postal Ballot or e-voting. If members are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Postal Ballot and e-voting, then voting done through valid Physical Postal Ballot shall prevail and voting done by e-voting will be treated as invalid.

11. Voting Through E-Voting

The process and manner for remote e-voting are as under:

- (a) The e-voting period begins on Friday, 7th October, 2016 (9:00 a.m.) and ends on Saturday, 5th November, 2016 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th September, 2016, may cast their vote by e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (b) The shareholders should log on to the e-voting website www.evotingindia.com.
- (c) Click on 'SHAREHOLDERS'.
- (d) 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.
- (e) Next enter the Image Verification as displayed and Click on 'LOGIN'.
- (f) 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.
- (g) 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) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Address Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d).

- (h) After entering these details appropriately, click on 'SUBMIT' tab.
- (i) 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 in which they are eligible to vote, provided that such other 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.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN of the Company 'PRATIBHA INDUSTRIES LIMITED' to vote.
- (l) 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.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (n) 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.

- (o) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (q) 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.
- (r) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (s) **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 www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be mailed to 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.
- (t) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

12. Voting through Postal Ballot Form

- (a) Shareholders may also vote through Postal Ballot Form enclosed hereto.
 - (b) Shareholders exercising their vote by physical Postal Ballot are requested to carefully read the instructions printed on the reverse of Postal Ballot Form and return the Form duly completed and signed in the enclosed self- addressed business reply envelope to the Scrutinizer so as to reach the Scrutinizer on or before 5th November, 2016 (5.00 pm). Please note that all postal ballot forms received after 5th November, 2016 (5.00 pm) will be strictly treated as if the reply from the member has not been received.
 - (c) In case, shares are jointly held, the Postal Ballot Form should be completed and signed (as per the specimen signature registered with the company) by the first named member and in his/her absence, by the next named member.
 - (d) In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority letter together with attested specimen signature(s) of the duly authorized signatory/ies, giving requisite authority to the person voting on the Postal Ballot Form.
 - (e) A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the Postal Ballot Form.
 - (f) The vote in this Postal Ballot cannot be exercised through proxy.
13. The Scrutinizer’s decision on the validity or otherwise of the Postal Ballot / e-voting will be final.
14. The Results of e-voting and Postal Ballot shall be aggregated and declared by the Managing Director or by any other Director duly authorised in this regard. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.pratibhagroup.com and on the website of CDSL within two (2) days of passing of the resolutions and communicated to the Stock Exchanges.

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that the service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants. We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and will co-operate with the Company in implementing the same

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Postal Ballot Notice:

Item No. 1&2

The Company for its operations has availed various facilities from Banks and other financial institution (hereinafter called “Lenders”) for the purposes set forth in the respective financing documents entered into between the Company and its various Lenders. The Company has been facing severe mis-match in the realization of receivables and conclusion of various claims submitted/under submission to its clients. The Lenders had accordingly held a meeting of Joint Lenders’ Forum (‘JLF’) on the 16th June 2016 and decided to invoke the provisions of Strategic Debt Restructuring (“SDR”) in terms of the RBI Circulars.

In view of the discussions at JLF meetings held thereafter, it is likely that JLF would be acquiring upto 70% stake in the Company by converting its debt amounting upto Rs.707,38,77,450/- (Rupees Seven Hundred and Seven Crore, Thirty-eight Lac, Seventy-seven Thousand, Four Hundred and Fifty only) into upto 23,57,95,915 equity shares of Rs.2/- each.

In terms of the requirement of Section 102 of the Act read with Rule 13(2) of the Companies (Share Capital & Debentures) Rules, 2014 and Chapter VII of the Securities Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”) the following disclosures are made:

1. OBJECT OF THE ISSUE:

The purpose of the proposed issue and allotment of the equity shares is to convert part of the outstanding amount of Debt into equity shares of the Company pursuant to SDR invoked by JLF whereby JLF will become majority shareholders of the Company.

2. RELEVANT DATE, PRICING OF EQUITY SHARE AND NUMBER OF EQUITY SHARES TO BE ISSUED:

Since the preferential allotment is to be made as per the SDR, the relevant date for the purpose of calculating the price of the equity share to be issued shall be the reference date, the date on which JLF invoked SDR i.e. 16th June, 2016.

As per SEBI ICDR Regulations, the conversion price shall be determined in accordance with the guidelines specified by RBI for SDR, which shall not be less than the face value of the equity share.

In terms of the RBI Circular, conversion of outstanding debt (principal as well as unpaid interest) into equity shares should be at a “Fair Value” which will not exceed the lowest of the following, subject to the floor of “Face Value”

Calculation of Fair Value determined as per Clause 4 of RBI Circular no.DBR.BP.BC.No.101/21.04.132/2014-15 dated 8th June, 2015 to ascertain the conversion price for purpose of conversion of portion of existing debt into equity shares of Rs.2/- each of Pratibha Industries Ltd		
Sr. No.	Particulars	Amount .
A	Average of the closing prices of the equity shares on a recognized stock exchanges (NSE & BSE) during the period from 2nd June, 2016 to 15th June, 2016 (both days inclusive), being ten trading days preceding the ‘reference date’ of 16th June, 2016;	Rs. 30/-
B	Break-up value: Book value per share calculated from the audited balance sheet dated 31st March, 2016	Rs. 78.39
C	Fair Value (Lower of A &B, but not less than Face Value of Rs.2/-)	Rs. 30/-

Accordingly, the proposed issue and allotment upto 23,57,95,915 equity shares of Rs.2/- each shall not exceed Rs.30/-, being the Fair Value. However, JLF is yet to confirm the price at which shares under proposed preference issue will be subscribed. The proposed resolution authorises the Board to negotiate and agree on the price with the JLF in line with the pricing formula specified under RBI Circulars.

The regulations of Chapter VII of SEBI ICDR Regulations shall not apply since the proposed preferential issue of equity shares to JLF is pursuant to conversion of debt as part of SDR and in compliance with the following conditions -

- Conversion price of the debt into equity shares has been certified by two independent qualified valuers as defined under SEBI (Issue of Sweat Equity) Regulations, 2002.
- Equity shares shall be locked-in for a period of one year from the date of trading approval from both the stock exchanges i.e. National Stock Exchange of India Limited & BSE Limited. However, for the purpose of transferring the control, Lenders may transfer their shareholding to an entity before completion of the locked-in period subject to continuation of the lock in on such shares for the remaining period with the transferee.

3. CLASS OF PERSONS TO WHOM THE ALLOTMENT IS PROPOSED:

The proposed issue and allotment of equity shares would be made to Lenders pursuant to the SDR, on terms and conditions as mutually agreed between JLF and Board of Directors (hereinafter referred to as "Board", which shall include any Committee which the Board has constituted or may constitute to exercise its powers including the powers conferred or any person duly authorised by the Board in this behalf).

4. NAMES OF THE PROPOSED ALLOTTEES AND THE PERCENTAGE OF POST PREFERENTIAL OFFER CAPITAL THAT MAY BE HELD BY THEM:

The names of the proposed allottees to whom the aggregate shares upto 23,57,95,915 equity shares of Rs.2/- each, constituting maximum stake upto 70% in the equity share capital (post preferential issue), may be issued and allotted in dematerialised form, as mutually agreed between JLF and Board, with maximum number of shares to be allotted along with % of maximum post preferential Equity capital are as below:

Sr. No.	Bank/Financial Institution/Lender	Maximum Number of Shares to be allotted	% of Maximum holding in the Equity Share Capital (Post Issue)
1	Bank of Baroda	3,93,25,556	11.7%
2	Union Bank of India	2,52,93,414	7.5%
3	Allahabad Bank	2,29,68,783	6.8%
4	Bank of India	2,08,24,699	6.2%
5	Central Bank of India	2,00,69,401	6.0%
6	Axis Bank Limited	1,94,50,893	5.8%
7	Punjab National Bank	1,59,49,558	4.7%
8	ICICI Bank	1,11,82,430	3.3%
9	Indian Overseas Bank	99,30,039	2.9%
10	Bank of Maharashtra	80,48,496	2.4%
11	Syndicate Bank	76,25,907	2.3%
12	Canara Bank	68,15,421	2.0%
13	State Bank of India	53,84,060	1.6%
14	EXIM Bank	49,78,028	1.5%
15	Yes Bank	48,03,001	1.4%
16	Oriental Bank of Commerce	37,23,666	1.1%
17	Lakshmi Vilas Bank	35,64,801	1.1%
18	State Bank of Bikaner & Jaipur	10,19,021	0.3%
19	State Bank of Hyderabad	9,24,806	0.3%
20	State Bank of Patiala	9,23,801	0.3%
21	Bharatiya Mahila Bank	8,05,445	0.2%
22	DBS Bank	7,37,953	0.2%
23	State Bank of Travancore	7,88,411	0.2%
24	IFCI	4,00,119	0.1%
25	Standard Chartered Bank	2,58,205	0.1%
	TOTAL	23,57,95,915	70.0%

5. PROPOSAL OF THE PROMOTERS, DIRECTORS OR KEY MANAGERIAL PERSONNEL OF THE COMPANY TO SUBSCRIBE TO THE OFFER:

The Promoter, Directors or Key Managerial Personnel do not have any intention to subscribe to the offer.

6. PROPOSED TIME WITHIN WHICH THE ALLOTMENT SHALL BE COMPLETED:

Since the proposed preferential issue is pursuant to SDR invoked in terms of RBI Circulars, the requirement of completion of allotment within a period of 15 days from the date of passing the resolution as per SEBI ICDR is not applicable. However, in terms of RBI circulars, the Company is required to complete the Preferential Issue by 12th January, 2017. This resolution shall remain valid for a period of twelve months from the date of its approval.

7. THE CHANGE IN CONTROL, IF ANY, IN THE COMPANY THAT WOULD OCCUR CONSEQUENT TO THE PREFERENTIAL OFFER:

Lenders, if JL Fagrees to convert debt into equity shares upto the extent proposed in the resolution, will hold upto 70% of the paid up capital of the Company subsequent to the proposed Preferential Issue. Consequently, aforesaid

allottees will become majority shareholders of the Company. JLF shall have the right to divest their holdings in the equity shares of the Company to new promoter(s) in accordance with the RBI Circular. JLF shall have the right to effect change in the management of the Company as per RBI Circulars.

8. THE NUMBER OF PERSONS TO WHOM ALLOTMENT ON PREFERENTIAL BASIS HAVE ALREADY BEEN MADE DURING THE YEAR IN TERMS OF NUMBER OF SECURITIES AS WELL AS PRICE:

During the year, the Company has not made any allotment on preferential basis to any person.

9. JUSTIFICATION FOR ALLOTMENT PROPOSED TO BE MADE FOR CONSIDERATION OTHER THAN CASH TOGETHER WITH VALUATION REPORT OF THE REGISTERED VALUER:

As per the SDR invoked by the JLF in terms of RBI Circulars, the equity shares are being allotted against the conversion of existing loans. In accordance with the RBI Circulars, the Company has obtained certification from two independent valuers in respect of determination of price of equity shares to be issued to Lenders in accordance with SEBI ICDR. The same will be kept for inspection at the registered office of the Company for inspection of shareholders upto the conclusion of voting period.

10. PRE ISSUE AND POST ISSUE SHAREHOLDING PATTERN OF THE COMPANY:

The shareholding pattern of the Company as on reference date i.e. 16th June, 2016 and excludes subsequent transfers and allotments:-

Sr. No.	Category	Pre Issue		Post Issue*	
(A)	Promoters Shareholding				
	Indian				
	Individuals/HUF	4,74,47,512	46.95	4,74,47,512	14.09
	Sub total	4,74,47,512	46.95	4,74,47,512	14.09
	Foreign	-		-	
	Total Shareholding of Promoter & Promoter Group (A)	4,74,47,512	46.95	4,74,47,512	14.09
(B)	Non Promoter's Shareholding				
	Institutional Investors				
	Mutual Funds	61,67,084	6.10	61,67,084	1.83
	Financial Institutional Investor/Banks	2,49,926	0.25	23,60,45,841	70.07
	Foreign Portfolio Investors	99,73,903	9.87	99,73,903	2.96
	Sub-total (Institutional Investors)	1,63,90,913	16.22	25,21,86,828	74.87
	Non-Institutions				
	Bodies Corporate	1,38,00,677	13.66	1,38,00,677	4.10
	Public	2,06,78,299	20.46	2,06,78,299	6.14
	Clearing Member	7,99,408	0.79	7,99,408	0.24
	Non Resident Indians (Non-Repat)	2,70,090	0.27	2,70,090	0.08
	Non Resident Indians (Repat)	8,14,672	0.81	8,14,672	0.24
	HUF	8,46,951	0.84	8,46,951	0.25
	Trust	6,870	0.01	6,870	0.00
	Sub-total (Non-Institutions)	3,72,16,967	36.83	3,72,16,967	11.05
	Total Public Shareholding (B)	5,36,07,880	53.05	28,94,03,795	85.91
	Total (A+B)	10,10,55,392	100.00	33,68,51,307	100.00

(a) The figures shown in the table assumes:

- Issue and allotment of 23,57,95,915 equity shares of Rs.2/- each, aggregating to 70% in the Post Issue paid share capital.
- The holdings of other shareholders do not change.

(b) The Post Issue Shareholding pattern may vary depending on the actual number of shares subscribed by lenders and the transfres / transmissions after 16th June, 2016. The Post Issue Shareholding pattern may vary depending on the actual number of shares subscribed by lenders and the transfres / transmissions after 16th June, 2016.

In terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, acquisition of equity shares in the Company by JLF pursuant to conversion of their debt into equity shares as part of the SDR in accordance with guidelines specified by RBI will be exempted from the obligation of making open offer. Hence, JLF is not required to make open offer consequent upon acquisition of equity shares as per proposed preferential issue.

Further, as per the revised provisions of SDR as amended vide RBI circular dated 25th February, 2016, the lenders can divest a minimum of 26% of the shares of the Company (as against earlier requirement of 51%) to the new promoters within the stipulated timeline of 18 months with 'Right of First Refusal' to new promoters for subsequent divestment by Lenders of the remaining stake.

In terms of RBI Circular and pursuant to the provisions of Sections 62 and 42 of the Act read with Rules made thereunder conversion of debt into equity pursuant to SDR needs to be approved by the shareholders to enable JLF to exercise the option effectively. Accordingly, the Board at their meeting held on 21st September, 2016, has approved the conversion of debt aggregating upto Rs.707,38,77,450/- into upto 23,57,95,915 equity shares of Rs.2/- each pursuant to the SDR and recommended the same for approval of the shareholders by way of special resolution. Pursuant to Uniform Listing Agreement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the outcome of the Board meeting held on 21st September, 2016 is available on the Company website www.pratibhagroup.com under "Investors Relations". The private placement offer letter shall be sent to the Lenders as detailed herein above in accordance with and in compliance with the Act read with Rules made thereunder.

In view of the above, the Board of Directors recommends for passing of resolution mentioned under item no.2 as Special Resolution.

At present the authorized share capital of the Company is Rs.40,00,52,000/- divided into 20,00,26,000 equity shares of Rs.2/- each. To accommodate the aforesaid issue and allotment of Equity shares pursuant to the SDR, it is proposed that the authorized share capital be increased from Rs.40,00,52,000/- to Rs.70,00,00,000/- and consequential amendments be made to the existing clause V of Memorandum of Association. The approval of the member is sought for increase in authorized capital of the Company and consequential amendments to the Memorandum of Association by way of Ordinary Resolution.

Accordingly, the Board of Directors recommends the passing of Resolution set out under item no.1 as an Ordinary Resolution.

The draft of the Memorandum of Association and all other documents mentioned in the explanatory statement and resolutions, will be available for inspection at the Registered Office as well at the Corporate Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day until Saturday, 5th November, 2016.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financial or otherwise in the aforesaid resolutions.

Registered Office
Shrikant Chambers,
5th Floor, Phase - II,
Next to R. K. Studio,
Sion Trombay Road, Chembur,
Mumbai - 400 071.
CIN: L45200MH1995PLC090760

**By Order of the Board of Directors
For Pratibha Industries Limited**

**Rajesh Hegde
Company Secretary**

Date : 21st September, 2016
Place : Mumbai