

Welspun Flooring Limited

CIN: U17291TG2016PLC132327

NOTICE

Dear Shareholder,

Ministry of Corporate Affairs (“MCA”) vide their General Circular No. 14/2020 dated April 08, 2020 (“Circular”) have prescribed a framework for conducting EGM through video conferencing or other audio visual means. Adopting the framework proposed by MCA in their Circular -

NOTICE is hereby given that the Extra Ordinary General Meeting of Shareholders of Welspun Flooring Limited will be held at shorter notice on Monday, December 14, 2020 via Virtual Meeting at 10:30 a.m. to transact the following special business:

SPECIAL BUSINESS:

1. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors of the Company to issue and allot 0% Compulsorily Convertible Debentures of Rs.10/- each not exceeding an aggregate sum of Rs.265 Crore, on private placement basis, inter alia, to provide funding for 2nd phase of the Company’s project for setting up Flooring facilities at Telangana, to Welspun India Limited, parent company, in one or more tranches and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company.”



Registered Office: D No. 6-3-609/147/A, Opposite Sri Chakra Apartment,
Anand Nagar Colony, Khairatabad,
Hyderabad, Telangana - 500004
T: +91 040 - 48563706

Corporate Office: Welspun House, 6th Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013, India
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“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors of the Company to convert the loan availed from Welspun India Limited, parent company, to provide funding for 2nd phase of the Company’s project for setting up Flooring facilities at Telangana into 0% Compulsorily Convertible Debentures of Rs.10/- each not exceeding an aggregate sum of Rs.265 Crore, as mentioned above and it is further clarified that total funding for 2nd Phase flooring project is Rs. 265 Crore whether funded by issuance and allotment of 0% Compulsorily Convertible Debentures of Rs.10/- each on private placement basis or converting loan into 0% Compulsorily Convertible Debentures of Rs.10/- each or combination of both.”

“**RESOLVED FURTHER THAT** any of the Directors of the Company or the Company Secretary be and are hereby severally authorized to do all such other acts, deeds and things, including filings to be made with any regulatory authorities and interaction with the depositories, and other relevant authorities, as may be required relating to the issue of Debentures within the stipulated period.”

By Order of the Board



Shashikant Thorat
Company Secretary
FCS: 6505

Place: Mumbai
Date: November 25, 2020

Registered Office:

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Hyderabad, Telangana – 500004.
Tel. No.: T:+91 040 - 48563706; Fax +9122 24908020
CIN: U17291TG2016PLC132327
Website: <https://welspunflooring.com/>
Email: companysecretary_wil@welspun.com

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NOTES

1. The EGM shall be conducted as per the framework prescribed by MCA vide their General Circular No. 14/2020 dated April 08, 2020
2. A statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) in respect of the special business under Item 1 of the Notice is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Since, EGM is being conducted via other audio video visual means where physical attendance of the member has been dispensed with under MCA Circular, there is no requirement of appointment of proxies.
4. The link to join the meeting through other audio video visual means shall be shared via e-mail and calendar invite to the members on their respective e-mail id’s registered with the Company. The member will only have to click on the mentioned link to join the meeting and no other additional requirements are required to be performed. If any member wishes to update his/her e-mail, kindly e-mail the new e-mail id to CompanySecretary_WIL@welspun.com by December 11, 2020 upto 03.00 p.m. Further, any member who requires assistance for joining the meeting or any technical assistance during the meeting may also call on +91 7045699724.
5. Any questions on the Agenda items may be raised by the members in advance on the e-mail id CompanySecretary_WIL@welspun.com by December 11, 2020 upto 03.00 p.m.
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, together with their e-mail id authorizing their representative(s) to attend and vote on their behalf at the Meeting, to the Company’s.
7. Attendance of members through other audio visual means shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
8. The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.

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9. The e-copies of the documents referred to in the Notice will be available for inspection of the members during normal business hours on working days till the date of the meeting. The member can request on the e-mail id CompanySecretary_WIL@welspun.com.

By Order of the Board



Shashikant Thorat
Company Secretary
FCS - 6505

Place: Mumbai
Date: November 25, 2020

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EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1: Issue and allotment of 0% Compulsorily Convertible Debentures:

Sections 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013 read together with the rules made thereunder deals with private placement of securities by a Company. Further Section 71 of the Companies Act, 2013 and the rules made thereunder deals with the issue and allotment of debentures by a Company. For funding to facilitate Phase 2 of the Flooring Project, expenditures of operational as well as capital nature, expenditure towards automation, warehousing etc., the Board, or a committee of the Board as may be authorized by the Board, at an appropriate time, may offer or invite subscription for issue and allotment of 0% Compulsorily Convertible Debentures of Rs.10/- each (“Debentures”) on private placement.

Accordingly, the consent of members is sought for issuance of Debentures for an aggregate amount not exceeding Rs.265 Crore by way of issuance and allotment of 0% Compulsorily Convertible Debentures of Rs.10/- each on private placement basis or converting loan into 0% Compulsorily Convertible Debentures of Rs.10/- each or combination of both. The Board recommends the resolution set out at item no. 1 for the approval by the members as Special Resolution.

Given below is a statement of disclosures as required under Rule 9(3) and Rule 13(2) (d) of the Companies (Share Capital and Debentures) Rules, 2014:

Size of the issue	Rs. 2,650,000,000/-
Number of debentures to be issued	265,000,000
Nominal value of each debenture	Rs. 10 per share
Nature of debenture	These are 0% Compulsorily Convertible Debentures (CCD) and do not carry any voting rights. CCDs shall be unsecured.
Objective of the issue	The Company has set up its plant at Telangana and has started the manufacturing. The Company is undertaking the Phase 2 of the flooring project and the objective of the issue is targeted, inter alia, towards funding to facilitate Phase 2 of the Flooring Project, expenditures of operational as well as capital nature, expenditure towards automation, warehousing etc.

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Manner of issue of debentures	The CCD's shall be issued and offered to Welspun India Limited in accordance with the provisions of Section 62(1)(c) of the Act and the Rules made there under.
Price at which such shares are proposed to be issued	CCD's will be issued at par.
Basis on which the price has been arrived at	CCD's will be issued at par.
Relevant date with reference to which the price has been arrived at	Not Applicable. The shares are being issued at par value.
Terms of issue, including terms and rate of dividend on each debenture, etc.	As may be determined by the Board in accordance with the provisions of the Companies Act, 2013 and Rules made there under.
Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the debentures shares are convertible, the terms of conversion	CCDs shall stand compulsorily converted into equity shares on July 30, 2029 for all allotments to be made. CCDs may be converted into equity shares before July 30, 2029 at the option of the Company.
Manner and modes of redemption	Not applicable as CCDs are compulsorily convertible.
Expected dilution in equity share capital upon conversion of debentures	Equity share capital shall stand altered to extent of CCDs issued in the ratio of 1 equity share for each CCD.
The class or classes of persons to whom the allotment is proposed to be made	The allotments will be made to the promoter of the Company (Welspun India Limited)
Intention of promoters, directors or key managerial personnel to subscribe to the offer	The Company has set up its plant at Telangana and has started the manufacturing. This being the Phase 2 of the flooring project the objective of the issue is targeted towards expenditures of operational as well as capital nature, expenditure towards automation, warehousing etc.
Proposed time within which allotment will be completed	Within a period of 12 months from the date of the general meeting of the Company approving the issuance and allotment of CCDs.

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The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:	Welspun India Limited
The change in control, if any, in the company that would occur consequent to the preferential offer:	There would be no change in control consequent to the preferential offer
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:	Allotment on preferential basis was made to Welspun India Limited till from incorporation date as given below: <ol style="list-style-type: none"> 1. Equity Shares – 65,000,000 of Rs. 10 each 2. Preference Shares – 185,000,000 of Rs. 10 each 3. Debentures – 160,610,185 of Rs. 10 each
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable. The allotment is not being made for consideration other than cash.

The Current debenture holding pattern of the Company is as under:

Sr. No.	Category	Debentures			
		Pre-Issue		Post-Issue	
		(in Nos.)	%	(in Nos.)	%
A	Promoter				
1	Indian				
	Individual	--	--	--	--
	Body Corporate:	*179,538,385	100	444,538,385	100
2	Foreign Promoters	--	--	--	--
	Sub Total (A)	*179,538,385	100	444,538,385	100
B	Non Promoters' holding	--	--	--	--

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1.	Institutional Investors	--	--	--	--
2.	Non – Institutional	--	--	-	--
	Private Corporate Bodies	--	--	--	--
	Directors and Relatives	--	--	--	--
	Indian Public	--	--	--	--
	Others (including NRIs)	--	--	--	--
	Sub Total (B)	--	--	--	--
	Total (A)+ (B)	*179,538,385	100	444,538,385	100

* No. CCDs pending to be converted = 18,928,200

The issue of CCD's is in accordance with the provisions of the Articles of Association of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

By Order of the Board



Shashikant Thorat
Company Secretary
FCS - 6505

Place: Mumbai

Date: November 25, 2020

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