



PITTI LAMINATIONS LIMITED

**Registered Office: 6-3-648/401, IV Floor, Padmaja Landmark
Somajiguda, Hyderabad – 500082, Telangana, India
Tel: +91-040-23312774, Fax: +91-040-23393985
CIN: L29253TG1983PLC004141
Email: shares@pittilam.com, Website: www.pitti.in**

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POSTAL BALLOT NOTICE

Notice pursuant to Section 110 of the Companies Act, 2013

To
The Members of
Pitti Laminations Limited

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read together with the Companies (Management and Administration) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including any statutory modification or re-enactment thereof for the time being in force, that the Resolution appended below for increase of share capital and amendment of Memorandum of Association of the Company, Preferential Allotment of shares and Preferential Allotment of Warrants are proposed to be considered and if thought fit, to pass the following Resolutions by the Members through Postal Ballot/Electronic Voting (e-voting).

The explanatory statement pursuant to Section 102 of the Companies Act, 2013 containing all material facts and a Postal Ballot Form with instructions are enclosed with this Notice.

The Board of Directors at their meeting held on 13th February, 2017 have appointed Shri S Chidambaram (Membership No.FCS 3935, CP No. 2286), Company Secretary in Whole Time Practice, Hyderabad as the Scrutinizer (the “Scrutinizer”) for conducting the Postal Ballot process in a fair and transparent manner. The Board has appointed Shri Nand Kishore Khadelwal, Chief Financial Officer and Shri Satyabrata Padhi, Company Secretary of the Company to be responsible for the entire postal ballot process and to take all the steps and to do all the acts, deeds and things etc., as may be necessary or expedient in connection with or in relation to the Postal Ballot process.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form (no other form or photocopy is permitted) duly completed in the attached self-addressed envelope so as to reach the Scrutinizer by 5.00 P.M on or before Tuesday the 4th April, 2017. Postal Ballot Forms received after this date will be strictly treated as if the reply from the concerned member has not been received. The postage will be borne and paid by the Company. It is, however, clarified that members desiring to exercise their vote from outside India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutinizer.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Postal Ballot Form. References to Postal Ballot(s) in this notice include votes received electronically.

The Scrutinizer will submit his report to the Chairman of the Company or in his absence to any other Director / Officer authorized by him, upon completion of scrutiny of Postal Ballots in a fair and transparent manner and the results of the Postal Ballot will be announced in the presence of the Scrutinizer on Thursday the 6th April, 2017 at 5.00 P.M. at the Company's Registered Office. The results of the Postal Ballot will be displayed on the Company's website i.e www.pitti.in (within 48 hours) and will also be published in English and Telugu newspapers.

The date of declaration of the results of the Postal Ballot shall be the date on which the resolution shall be deemed to have been passed, if approved by the requisite majority.

SPECIAL BUSINESS

ITEM No. 1: TO INCREASE THE AUTHORISED SHARE CAPITAL AND CONSEQUENTIAL ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules made thereunder, the consent of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs.15,00,00,000 (Rupees Fifteen Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.5/- each to Rs.30,00,00,000 (Rupees Thirty Crores only) divided into 6,00,00,000 (Six Crores) equity shares of Rs.5/- (Rupees Five Only) each by creation of additional 300,00,000 (Three Crores) equity shares of Rs.5/- (Rupees Five only) each.

RESOLVED FURTHER THAT the existing clause V of the Memorandum of Association of the Company be altered by substituting the same with the following clause V and the existing clause V shall always be deemed to have been substituted by the following:

The Authorised Share Capital of the Company is Rs.30,00,00,000 (Rupees Thirty Crore only) divided into 6,00,00,000 (Six Crore) equity shares of Rs.5/- (Rupees Five Only) each. The Company has the power from time to time, to increase or reduce its capital. Any of the said shares and any new shares hereafter to be created, may from time to time be divided into shares of several classes in such manner as the Articles of Association of the Company may prescribe or allow and so that the shares of each class may have or confer such preferred or other special rights and privileges and may be issued under such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise, as well have been assigned thereto by or under the provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any shares issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for by the Articles of Association of the Company for the time being.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do and perform all such acts, deeds and things as may be necessary to give effect to this Resolution”.

ITEM No. 2: PREFERENTIAL ISSUE OF EQUITY SHARES AND WARRANTS

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 62, Section 42 and all other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any statutory amendments thereto and all modifications or re-enactments thereof for the time being in force) and (the “Act”) including any statutory modification (s) thereto or re-enactment thereof and in accordance with the relevant provisions of the Memorandum and Articles of Association of the company and in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI ICDR Regulations”) and regulation 26(2) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and as per the provisions of other applicable rules/regulations/guidelines prescribed by the Securities Exchange Board of India (“SEBI”) and/or Reserve Bank of India (“RBI”) and/or any other statutory/regulatory authority and clarifications thereon issued from time to time, whether in India or abroad, and pursuant to the listing agreements entered into by the company with the BSE Limited (“Stock Exchange”) and National Stock Exchange of India Limited where the securities of the company are listed or to be listed, and subject to all approvals, consents, permissions and/or sanctions as may be required including but not limited to SEBI under the SEBI ICDR Regulations and from any other regulatory or statutory authority or body in India and subject to such terms, conditions, alternations, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/or sanctions and as agreed to by the Board of Directors of the company (the “Board”, which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred on the Board by this Resolution) and in accordance with the SEBI ICDR Regulations, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot, in one or more tranches by way of preferential allotment, upto 28,44,445 (Twenty Eight Lakhs Forty Four Thousand Four Hundred and Forty Five) equity shares of Rs.5/- each fully paid up at a price as may be calculated in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and to create issue, offer and allot in one or more tranches upto 22,22,222 Convertible Warrants to the promoters on preferential basis and said warrants will be convertible into equal number of Equity share of Rs.5/- (Rupees Five Only) each fully paid-up at a price as may be calculated in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, provided that promoter’s shareholding shall not be entitling them to exercise more than five per cent of the voting rights in any financial year. The details of the allottees are as under:

SI No	Name of the allottee	Category	Instrument Type	Proposed Number of Instruments for allotment
1	Shri Sharad B Pitti	Promoter	Equity	1288889
2	Shri Akshay S Pitti	Promoter	Equity	1000000
3	Shri Akshay S Pitti	Promoter	Warrants	1111111
4	Pitti Electrical Equipment Pvt Ltd	Promoter	Equity	555556
5	Pitti Electrical Equipment Pvt Ltd	Promoter	Warrants	1111111

RESOLVED FURTHER THAT without prejudice to the generality of the above, the ‘Relevant Date’ for the purposes of determining the floor price of the Equity Shares in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2009 as amended from time to time, shall be Tuesday the 7th March, 2017 i.e., 30 days prior to the date of passing of the Special Resolution.”

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, matters, things and deeds and to take all such steps and do all such things and give all such directions as they may consider necessary, expedient or desirable for issue or allotment of the said Equity Shares and listing thereof with the Stock Exchange where the existing Equity Shares of the Company are listed and to take all such steps and to do all such things as may be required to comply with the requirements of the SEBI ICDR Regulations and other applicable laws and give all such directions as the Board may consider necessary , expedite or desirable, including without limitation, effecting any modification to the foregoing (including any modification to the terms of the Preferential Allotment), to prescribe the forms of application, private placement offer letter, allotment, to enter into any definitive agreements and other incidental documents or other instruments and writings, and also to settle any question or difficulties or doubts that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to appoint such consultants, valuers, legal advisors, advisors and all such agencies as may be required for the issue and allotment of the said Equity Shares pursuant to the Preferential Allotment, without being required to seek any further consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and to do all acts and deeds in the best interest of the Company and to take all such steps which are incidental and ancillary in this regard.

RESOLVED FURTHER THAT Shri Akshay S Pitti, Vice-Chairman and Managing Director, Shri Nand Kishore Khandelwal, Chief Financial Officer and Shri Satyabrata Padhi, Company Secretary of the Company be and are hereby severally authorized to execute and file any and all requisite forms, documents, return and/or deeds with any regulatory authority in connection with the above Resolutions, including e-forms to be filled with the Registrar of Companies, SEBI and other notifications required to be made to the Stock Exchange.

RESOLVED FURTHER THAT Shri Nand Kishore Khandelwal, Chief Financial Officer and Shri Satyabrata Padhi, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary or incidental to give effect to the aforesaid Resolutions.

RESOLVED FURTHER THAT all actions taken by the Board or Committee duly constituted for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing Resolutions be and are hereby approved, ratified and confirmed in all respects”.

Place : Hyderabad
Date : 13/02/2017

By order of the Board of Directors
for **Pitti Laminations Limited**

-Sd/-
Satyabrata Padhi
Company Secretary

NOTES

- a) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the business set above is annexed hereto.
- b) The Postal Ballot Notice along with a postage pre-paid self addressed Business Reply Envelope is being sent to the Members whose names appear on the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited and Central Depository Services (India) Limited as on Friday the 24th February, 2017.
- c) Postal Ballot Form (along with User ID and password for e-voting process, manner and instructions for e-voting) and Self-addressed postage prepaid envelope are being sent to the members.
- d) The Members whose names appear on the Register of Members/List of Beneficial Owners as on Friday the 24th February, 2017 will be considered for the purpose of voting.
- e) The Company has appointed Shri S Chidambaram (Membership No. FCS 3935, CP No. 2286, Company Secretary in Whole Time Practice, Hyderabad as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the applicable law and in a fair and transparent manner.
- f) Members voting rights shall be in proportion to his/her/its share of the paid-up equity share capital of the Company.
- g) Shareholders have an option to vote either through e-voting or through physical mode by submitting the Postal Ballot Form. If a shareholder has voted through e-voting facility, he/she/it is not required to send the Postal Ballot Form. If a shareholder votes through e-voting facility as well as sends his vote through the Postal Ballot Form, then voting done through e-voting shall prevail and voting done through postal ballot form will be treated as invalid by the Scrutinizer.
- h) All the material documents referred to in the Notice will be made available for inspection by the Members at the Registered office of the Company during working hours on any working day from Monday the 6th March, 2017 to Tuesday the 4th April, 2017.
- i) The following documents are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 2.00 P.M:
 - a) Memorandum and Articles of Association of the Company
 - b) Annual report for the financial years ended on 31.03.2016, 31.03.2015 and 31.03.2014.
 - c) Register of Directors' shareholdings of the Company.
- j) Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 as amended from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company will be offering e-voting facility to the members to cast their votes (for or against) electronically on business set forth in this Notice.
- k) The Company has appointed Central Depository Services Limited to provide the E-voting facility to the shareholders of the Company to vote electronically. Please read carefully the E-Voting Instructions for casting your vote electronically.

- l) Please see the instructions for voting by postal ballot (including e-voting) which have been printed herein.
- m) The Ordinary Resolution mentioned above shall be declared as passed if the number of votes cast in its favor are not less than the number of votes cast, if any, against the said Resolution.
- n) The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favor are not less than three times the number of votes cast, if any, against the said Resolution.

INSTRUCTIONS

Member(s) can opt only one mode for voting i.e. either by Physical Ballot or e-voting. In case you are opting for e-voting, then do not vote by Physical Ballot and vice versa. However, in case Member(s) cast their vote both by Physical Ballot and e-voting, then voting done through E-voting shall prevail and voting done by Postal Ballot Form will be treated as invalid.

PROCESS AND MANNER FOR MEMBERS OPTING FOR PHYSICAL VOTING

1. A Member desiring to exercise his/her/its vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the scrutinizer, Mr. S. Chidambaram (Membership No. FCS No. 3935, CP No. 2286), Company Secretary in Whole-Time Practice ("Scrutinizer"), in the attached self-addressed business reply envelope, on or before close of working hours 5.00 P.M on Tuesday the 4th April, 2017. The postage within India will be borne and paid by the Company. However, envelopes containing postal ballot form(s), if sent by courier or registered/speed post at the expense of the Member will also be accepted.
2. The self-addressed Business Reply Envelope is addressed to the Scrutinizer appointed by the Board of the Company.
3. This Postal Ballot form should be completed and signed by the Member (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his/her absence by the next named Member. In case postal ballot form is signed through a Delegate, a copy of Power of Attorney attested by the Member shall be annexed to the Ballot.
4. The consent must be accorded by recording the assent in the Column "FOR" and dissent in the Column "AGAINST" by placing a tick (√) mark in the appropriate column.
5. Duly completed postal ballot form should reach the Scrutinizer, not later than 5.00 P.M. on Tuesday the 4th April, 2017. All postal ballot forms received after this date will be strictly treated as if reply from such Member has not been received.
6. There will be only one postal ballot form for every folio irrespective of the number of joint Member (s).
7. In case of shares held by Companies, trusts, societies etc., the duly completed postal ballot form should be accompanied by a certified true copy of the Board Resolution/authority letter.
8. A Member may request for duplicate postal ballot form, if so required. However, the duly completed duplicate postal ballot form should reach the Scrutinizer not later than the last date of receipt of postal ballot form i.e., 5.00 P.M on Tuesday the 4th April, 2017.

9. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members as on Friday, 24th February, 2017.
10. Members are requested not to send any other paper along with the postal ballot form in the enclosed self -addressed Business Reply Envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
11. A Member need not use all the votes nor needs to cast all the votes in the same way.
12. The Scrutinizer's decision on the validity of a postal ballot will be final and binding.
13. Incomplete, unsigned or incorrect postal ballot forms will be rejected.
14. The result of the postal ballot will also be posted on the website of the Company i.e www.pitti.in and also in the newspaper(s) for the information of the Members.
15. The Company is pleased to offer e-voting facility as an alternative, for all the Members of the Company to enable them to cast their votes electronically instead of dispatching postal ballot form. However, E-voting is optional.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) The voting period begins on Monday the 6th March, 2017 at 9.00 A.M and ends on Tuesday the 4th April, 2017 at 5.00 P.M During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday the 24th February, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website i.e www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 8 digits of the sequence number 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 sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR DOB	<p>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.</p> <ul style="list-style-type: none"> • 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 (iii)

- (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 ‘PITTI LAMINATIONS LIMITED’.
- (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 cast by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **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 linked in the login 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.

(xx) 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.

(xxi) The remote e-voting period commences from 9.00 a.m. on Monday the 6th March, 2017 and ends at 5.00 p.m. on Tuesday the 4th April, 2017. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) i.e., Friday the 24th February, 2017 may cast their votes electronically. The evoting module shall be disabled by CDSL for voting thereafter.

(xxii) As per the above instructions, any shareholder as on cut-off date that is Friday the 24th February, 2017, who require sequence number may please contact the company by sending an email to shares@pittilam.com or our Registrar and Transfer Agents, XL Softech Systems Limited by sending an email to xlfield@gmail.com from Monday, the 6th March, 2017 to Tuesday, the 4th April, 2017.

(xxiii) Shri S Chidambaram (Membership No. FCS No. 3935, CP No. 2286), Company Secretary in Whole-Time Practice, Hyderabad has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xxiv) Kindly note that vote once cast, cannot be modified.

(xxv) The Scrutinizer shall immediately upon the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

Place : Hyderabad
Date : 13/02/2017

By order of the Board of Directors
for **Pitti Laminations Limited**

-Sd/-

Satyabrata Padhi
Company Secretary

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, sets out all material facts relating to the business mentioned in the accompanying notice.

The following statement sets out the material facts concerning the special business mentioned in the accompanying Notice and to be transacted at the Extraordinary General Meeting.

ITEM NO. 1: TO INCREASE THE AUTHORIZED SHARE CAPITAL AND CONSEQUENTIAL ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

To meet the business requirements, the Company is in need of equity infusion, and is therefore proposing to raise further capital. However, since the paid-up capital of the Company has already reached at par with the Authorized Share Capital of the Company; in order to issue further shares to the Shareholders, the Company must first increase its Authorized share capital.

Hence the Board of Directors of the Company vide their Resolution dated 13th February, 2017 has proposed to increase the authorised share capital of the Company. Pursuant to Sections 61(1) (a) and 64(1) (a) of the Companies Act, 2013, the shareholders of the Company must accord their consent to the proposed increase in the authorised share capital. The Board therefore seeks approval for the same.

Increase in Authorized Share Capital calls for amendments to Capital Clause of Memorandum of Association. Therefore, your Directors recommend the Resolution for your approval.

None of the Directors or Key managerial personnel of the Company or relatives thereof is in any way, interested in respect of aforesaid item of business and there is no other information in respect of aforesaid item of business.

ITEM No. 2: PREFERENTIAL ISSUE OF EQUITY SHARES AND WARRANTS

The Company is pursuing several growth opportunities in the existing line of business besides expanding its existing scale of business. Your Company is trying to maximize the shareholders value by accelerating the growth in pace with the opportunities. The Company is in the process of setting up new facilities for Laminations in Aurangabad and Machined Components in Hyderabad along with reorganization of its existing manufacturing facilities of Pune and Hyderabad. Considering the substantial requirement of funds, the banks were approached to finance the same. The company has availed term loans from the bank after due sanction and as per the stipulation laid by the bank, the Company promoters are required to contribute to the extent of Rs.46 crores. Accordingly to speed up the project implementation, the company raised an amount of Rs.25.60 crores by way of unsecured loans from its Promoter- Directors. Further, the promoters are required to contribute further funds depending upon the progress of the works in one or more trenches. In view of the above, the Company proposes to convert these contributions by issue of equity shares and convertible warrants of the company.

The Board of Directors at their meeting held on 13th February, 2017 has approved the conversion of the contributions made by the promoters as unsecured loans into equity and issue of convertible warrants for the fresh contribution by the promoters in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") and the applicable provisions of the Companies Act, 2013.

The Promoters and promoter group is presently holding 60% shares of the total paid-up equity share capital of the Company. As per the Provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the Promoters and promoter group cannot acquire within any financial year additional shares or voting rights in company entitling them to exercise more than five per cent of the voting rights without giving open offer. The Company proposes to issue and allot upto 28,44,445 equity shares of face value of Rs.5/- (Rupees Five only) each which is within 5% of the post issue paid up equity capital and convertible warrants (the "Preferential Allotment") up to 22,22,222, in accordance with SEBI ICDR Regulations, 2009 and the applicable provisions of the Companies Act, 2013.

The other disclosures in accordance with the Companies Act, 2013, the ICDR Regulations and the other applicable provisions of law, in relation to the Special Resolution set out in the accompanying Notice are as follows:

1. Objects of the Preferential Issue:

To convert the existing unsecured loans availed from directors/promoters and to raise additional funds for corporate purpose.

2. The proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer:

The promoters, Directors and key management personnel of the Company propose to subscribe to the Preferential Allotment.

3. The shareholding pattern of the Company before and after the Preferential Issue:

The pre and post preferential issue shareholding pattern is as shown below:

Sl. No.	Category	Pre-Issue equity shareholding		#Post-Issue equity shareholding after allotment of shares and conversion of warrants	
		No. of Shares held	% of share holding	No. of Shares held	% of share holding
A	Promoters' holding :				
1	Indian Promoters				
	Individuals	92,09,380	34.13	1,26,09,380	39.34
	Body Corporate	69,80,000	25.87	86,46,667	26.98
	Total	1,61,89,380	60.00	2,12,56,047	66.32
2	Foreign Promoters	Nil	Nil	Nil	Nil
	Sub Total (A)	1,61,89,380	60.00	2,12,56,047	66.32
B	Non-Promoters' holding:				
1.	Institutional Investors	871842	3.23	871842	2.72
2	Non-Institution:				
	Private Corporate Bodies	18,16,503	6.73	18,16,503	5.67
	Directors and Relatives	Nil	Nil	Nil	Nil

Sl. No.	Category	Pre-Issue equity shareholding		#Post-Issue equity shareholding after allotment of shares and conversion of warrants	
		No. of Shares held	% of share holding	No. of Shares held	% of share holding
	Indian Public	78,08,841	28.94	78,08,841	24.36
	Others (Including NRIs)	296834	1.10	296834	0.93
	Sub-total (B)	1,07,94,020	40.00	1,07,94,020	33.68
	Grand Total (A + B)	2,69,83,400	100.00	3,20,50,067	100.00

Note: #Assuming after full conversion of warrants.

4. The time within which the preferential issue shall be completed:

The allotment of Equity Shares / Warrants shall be completed within a period of 15 days from the date of passing of the resolution by the shareholders provided that where the allotment is pending on account of pendency of any approval from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

5. The identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the Company consequent to the preferential issue:

Sl. No.	Name of the Investor	Promoter/ Non-Promoter	Instrument	Number of shares/ warrants to be allotted	Post issue/post conversion holdings	
					Number of shares	% of holding
1.	Shri Sharad B Pitti	Promoter	Equity	12,88,889	55,64,449	17.36
2.	Shri Akshay S Pitti	Promoter	Equity	10,00,000	52,69,311	16.44
		Promoter	Warrants	11,11,111		
3	Pitti Electrical Equipment Pvt Ltd	Promoter	Equity	5,55,556	86,46,667	26.98
		Promoter	Warrants	11,11,111		

6. Change in Control:

The Preferential Allotment to the allottees will not result in a change in the control of management of the Company.

7. Company's undertaking:

Not applicable, as the Price will be fixed in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 prior to the allotment of equity shares/warrants.

8. Auditors' Certificate:

M/s. Laxminiwas & Co., Chartered Accountants, the statutory auditors of the Company has certified as required under Regulation 73(2) of the SEBI (ICDR) Regulations that the Preferential Allotment is being made in accordance with the requirement contained in the SEBI ICDR Regulations. A copy of this certificate will be made available for inspection at the Registered office of the Company on all working days except public holidays during the hours between 10 a.m. to 1 p.m. upto Tuesday the 4th April, 2017.

9. Relevant Date and Issue Price:

The 'Relevant Date' for the purposes of determining the floor price of the Equity Shares in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time, shall be Tuesday, 7th March, 2017 i.e., 30 days prior to the date of passing of the Special Resolution.

The Equity Shares proposed to be issued to the allottees and the conversion of warrants pursuant to the Preferential Allotment will be issued and allotted at a price be calculated in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Explanation: the "Relevant Date" in relation to the Preferential Allotment of Equity shares and warrants pursuant to this Resolution in accordance with the provisions of SEBI (ICDR) Regulations shall be the date thirty (30) days prior to the date of the passing of the Resolution or such other date as may be prescribed in accordance with the SEBI (ICDR) Regulations"

10. Disclosures, similar to disclosures specified in Part G of Schedule VIII, if the issuer or any of its promoters or directors is a wilful defaulter:

Not applicable as none of the promoters or Directors is a wilful defaulter.

11. Lock-in:

The equity shares and warrants to be allotted on preferential basis shall be subject to lock-in period as provided in the SEBI (ICDR) Regulations, for the time being in force. Such locked-in Equity Shares may however be transferred to and amongst the Promoters / Promoter Group subject to the provisions of SEBI ICDR Regulations.

The entire pre-preferential allotment shareholding of the above allottee, if any, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 78(6) of the SEBI ICDR Regulations.

12. Dealing and Holding by the Investor:

The allotment of Equity Shares under Preferential Issue is subject to the Investor not having sold the Company's shares during the Six (6) months preceding the relevant date.

13. Approvals:

The Company is taking necessary steps to obtain all the requisite approvals from all the appropriate authorities including Stock Exchange, for the proposed Preferential Issue of equity shares of the Company.

14. General:

- i. 25 per cent or more of the issue price of the Warrants shall be payable at the time of subscription of Warrants.
- ii. The holder of Warrants will be entitled to apply for and be allotted, in one or more tranches, 1 (one) Equity Share of Rs.5/- (Rupees Five only) each per warrant at any time after the date of allotment thereof but within on or before 18 months from the date of allotment.
- iii. Upon exercise of the right to subscribe for Equity Shares, the warrant holders shall be liable to make the payment of balance sum, if any, payable, towards subscription to each Equity Share, as may be applied. The amount paid against Warrants shall be adjusted / set off against the issue price of the resultant Equity Shares.
- iv. In the event of entitlement attached to Warrants to subscribe for Equity Shares is not exercised within the period as mentioned above, the same shall lapse and the amount paid on the Warrants shall stand forfeited.
- v. Upon receipt of the payment as above, the Board (or a Committee thereof) shall allot one Equity Share per warrant by appropriating Rs.5/- (Rupees Five only) each towards Equity Share capital and the balance amount paid against each warrant, towards the securities premium.
- vi. The warrant holders shall also be entitled to any future issue of bonus / rights, if any, of Equity Shares or warrants convertible into Equity Shares or such other securities by the Company, in the same proportion and manner as any other shareholders of the Company for the time being and the Company shall reserve proportion of such entitlement for the warrant holders.
- vii. The warrant by itself does not give to the holder(s) thereof any rights of the shareholders of the Company.
- viii. The Equity Shares to be issued and allotted by the Company on exercise of the Warrants in the manner aforesaid shall be in dematerialised form and subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the then existing Equity Shares of the Company and be listed on stock exchanges where the Equity Shares of the Company are listed.

15. Miscellaneous

- a. The Company is in compliance with the conditions for continuous listing of equity shares as specified in the Listing Agreement with the Stock Exchange;
- b. The Company has obtained the Permanent Account Number of the Allottees.
- c. The Present allotment of equity shares is proposed to be made by converting the unsecured loans into equity and warrants shall be allotted for cash.

It is proposed to obtain consent of the Members, pursuant to the provisions of Section 42 and 62 and other applicable provisions of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Regulation 26(2) and other applicable Regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to issue and allot Equity Shares on a preferential basis to Promoters as stated in the Special Resolution set out in the accompanying Notice.

Your Directors recommend the passing of the Resolution(s) at Item No. 2 as a special Resolution.

None of the Directors or Key managerial personnel of the Company or relatives thereof is in any way, concerned or interested in respect of aforesaid item of business except to the extent of allottees to the allotment of shares/warrants and there is no other information in respect of aforesaid item of business.

Place : Hyderabad
Date : 13/02/2017

By order of the Board of Directors
for **Pitti Laminations Limited**

Sd/-
Satyabrata Padhi
Company Secretary