

### NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in terms of the General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 22/2020 dated June 15, 2020 read with General Circular No. 33/2020 dated 28<sup>th</sup> September, 2020 issued by the Ministry of Corporate Affairs (the 'MCA Circulars'), and other applicable laws and regulations for the time being in force for transacting the Special Business by the members of "MURUDESHWAR CERAMICS LIMITED" (the "Company") by way of Postal Ballot which includes voting by electronic means ("e-voting")

The Board of Directors of the Company ('the Board'), has at its meeting held on November 13, 2020, considered and approved the following resolutions, subject to the Members' approvals through postal ballot:

1. Issue of Equity Shares to Promoter and Promoters Group on Preferential Basis; and
2. Issue of Warrants, Convertible into Equity Shares to Promoter and Promoters Group on Preferential Basis.

The Company proposes to issue Equity Shares and Warrants Convertible into Equity Shares to Promoter and Promoter Group in compliance with the provisions of Section 62 (1) (c) of the Companies Act, 2013 and Regulation 160 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and hence seeks members consent for the said proposals as contained in the Special Resolutions appended herein below.

An explanatory statement pursuant to the provisions of Section 102 of the Act and other applicable provisions of the Act, if any, pertaining to the resolution setting out the material facts and the reasons thereof, is appended. The Board of Director at its meeting held on Friday, 13<sup>th</sup> day of November, 2020, has appointed Shri Sunil J Shah, Practicing Company Secretary (Membership No. ACS: 8717 and COP No. 3289), having office at T-22, 3<sup>rd</sup> Floor Satellite Complex, Koppikar Road, Hubballi – 580029, Karnataka, as the scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

In compliance with the provisions of Section 108 and 110 of the Act, read with Rules 20 and 22 of the Companies Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering facility of e-voting to all its Members to enable them to cast their votes electronically. Members are requested to follow the procedure, as stated in "NOTES" section of this Postal Ballot Notice, for casting of their votes electronically viz., by way of e-voting.

Upon completion of the scrutiny votes cast through e-voting in a fair and transparent manner, the Scrutinizer will submit his report to the Chairperson or any person authorized by him. The results of the Postal Ballot will be declared on Monday, 28<sup>th</sup> December, 2020, on or before 5.00 p.m. The said results will be displayed on the Notice Board of the Company at registered office and to National Stock Exchange of India Limited and BSE Limited where shares of the Company are listed. Additionally, the results will also be displayed on the Company's website [www.naveentile.com](http://www.naveentile.com).

### SPECIAL RESOLUTIONS TO BE PASSED THROUGH POSTAL BALLOT

- 1. Issuance of Equity Shares and Shares Warrants convertible into Equity Shares to Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited, promoters group of the Company, on a preferential basis:**

*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 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'), the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India

Limited ('Stock Exchanges') on which the Equity Shares having face value of Rs. 10.00 each of the Company ('Equity Shares') are listed and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Ministry of Corporate Affairs, the Securities and Exchange Board of India ('SEBI') and/ or any other competent authorities, whether in India or abroad (hereinafter referred to as 'Applicable Regulatory Authorities') from time to time to the extent applicable and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), is hereby authorised to accept, the consent and approval of the members of the Company ('Members') be and is hereby accorded to the Board to create, issue, offer and allot from time to time in one or more tranches, the following securities to Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited, promoters group of the Company, on a preferential basis ('Preferential Allotment') as under:

- a) Up to 4757390 Equity Shares at a price of Rs.18.00 per Equity Share aggregating to Rs. 85633020 (Rupees Eight Crores Fifty Six Lakhs Thirty Three Thousand Twenty Only); and
- b) Up to 53,63,948 Convertible Warrants ('Warrants'), each carrying a right to subscribe to one Equity Share per Warrant, at a price of Rs. 18.00 per Warrant ('Warrant Price'), aggregating to Rs. 9,65,51,064 (Rupees Nine Crores Sixty Five Lakhs fifty one thousands Sixty Four Only),

on such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations and other applicable laws."

Following is the Issue and allotment Structure:

Name of Allottee (Promoters Group)	No. of Equity Shares (FY: 2020-21)	Share Warrants to be converted in to Equity Shares		Face Value (In Rs.) Equity Share	Issue Price (In Rs.)*
		1 <sup>st</sup> Tranche (FY: 2021-22)	2 <sup>nd</sup> Tranche (FY: 2022-23)		
Murudeshwar Power Corporation Limited	3090724	2616559	2747389	10.00	18.00
Naveen Mechanised Construction Company Private Limited	1666666	Nil		10.00	18.00
<b>Total</b>	<b>4757390</b>	<b>5363948</b>		<b>10.00</b>	<b>18.00</b>

**"RESOLVED FURTHER THAT** in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the relevant date for determining the floor price for the Preferential Allotment of the Equity Shares and Warrants is November 26, 2020, being the date 30 days prior to the date of passing of Special Resolution through Postal Ballot by the Shareholders of the Company."

*\*The above pricing will be subject to the minimum price available on the relevant date as on Friday, November 27, 2020 as per criteria prescribed in Chapter V of the SEBI (ICDR) Regulations as amended from time to time.*

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above resolution, the issue of the Equity Shares to Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited under the Preferential Allotment shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- a) The Equity Shares to be allotted shall be fully paid up and rank *pari passu* with the existing Equity Shares of the Company bearing ISIN INE692B01014 in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.
- b) The Equity Shares to be allotted shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations and will be listed on the Stock Exchanges subject to receipt of necessary permissions and approvals.

- c) The Equity Shares shall be allotted in dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of Equity Shares is subject to receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.”

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above resolution, the issue of the Warrants and Equity Shares to be allotted on exercise of Warrants under the Preferential Allotment shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- a) An amount equivalent to 25% of the Warrant Price shall be payable at the time of subscription and allotment of each Warrant and the balance 75% of the Warrant Price shall be payable by the Warrant holder against each Warrant at the time of allotment of Equity Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Equity Share(s). The amount paid against Warrants shall be adjusted / set-off against the issue price for the resultant Equity Shares.
- b) The Warrants shall be allotted in dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of Warrants is subject to receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.
- c) The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations.
- d) The price determined above and the number of Equity Shares to be allotted on exercise of the Warrants shall be subject to appropriate adjustments as permitted under the rules, regulations and laws, as applicable from time to time.
- e) Apart from the said right of adjustment mentioned in (d) above, the Warrants do not give any rights/entitlements to the Warrant holder as a shareholder of the Company.
- f) The Warrants may be exercised by the Warrant holder, in one or more tranches, at any time on or before the expiry of 18 months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be exercised along with the aggregate amount payable thereon. The Company shall accordingly, without any further approval from the Members, allot the corresponding number of Equity Shares in dematerialized form.
- g) The Equity Shares to be allotted on exercise of the Warrants shall be fully paid up and rank *pari passu* with the existing Equity Shares bearing ISIN INE692B01014 of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.
- h) In the event the Warrant holder does not exercise the Warrants within 18 months from the date of allotment, the Warrants shall lapse and the amount paid to the Company at the time of subscription of the Warrants shall stand forfeited.
- i) The Equity Shares arising from the exercise of the Warrants will be listed on the Stock Exchanges subject to the receipt of necessary regulatory permissions and approvals as the case may be.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares and Warrants, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for

appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilisation of proceeds of the issue, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute direction, to any Committee of the Board or any one or more Director(s)/Company Secretary/ any Officer(s) of the Company to give effect to the aforesaid resolution.”

**By Order of the Board of Directors  
For Murudeshwar Ceramics Limited**

Sd./-

**Ashok Kumar  
Company Secretary & Compliance Officer  
ACS No: 40962**

**Bengaluru, November 13, 2020**

**Registered Office:**

**Murudeshwar Ceramics Limited**

Murudeshwar Bhavan, No. 604/B, Gokul Road,  
Hubballi – 580 030, Karnataka.  
PH.: 0836 – 2331615 – 18, E-mail: [Investor@naveentile.com](mailto:Investor@naveentile.com)

**Corporate Office:**

**Murudeshwar Ceramics Limited**

Naveen Complex, 7<sup>th</sup> Floor, No. 14, M. G. Road,  
Bengaluru – 560 001, Karnataka.  
PH.: 080 – 42897000, E-Mail: [cosec@naveentile.com](mailto:cosec@naveentile.com)

**NOTES:**

1. In view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, Ministry of Corporate Affairs, Government of India (the “MCA”) in terms of the MCA Circulars, has advised the companies to take all decisions requiring members’ approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot / e-voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. MCA has clarified that for companies that are required to provide e-voting facility under the Act, while they are transacting any business(es) only by postal ballot up to December 31, 2020 through General Circular No. 33/2020 dated 28<sup>th</sup> day of September, 2020, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the Company will send Postal Ballot Notice by email to all its members who have registered their email addresses with the Company or depository / depository participants and the communication of assent / dissent of the members will only take place through the remote e-voting system. This Postal Ballot is accordingly being initiated in compliance with the MCA Circulars.
2. Hence, in compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the shareholders for this Postal Ballot and the shareholders are required to communicate their assent or dissent through the remote e-voting system only.
3. The shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

Pursuant to the aforesaid Circular issued by Ministry of Corporate Affairs, for remote e-voting for this Postal Ballot, shareholders who have not registered their email address and in consequence the e-voting notice could not be serviced to them may temporarily get their email address registered with the Company’s Registrar and Share Transfer Agent, Canbank Computer Services Limited. Shareholders may write the request to [ravi@csl.co.in](mailto:ravi@csl.co.in) or [naidu@csl.co.in](mailto:naidu@csl.co.in) for the same. Post successful registration of the email, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this Postal Ballot.

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and regulation 163 (1) of SEBI(ICDR) Regulations, 2018 setting out material facts in respect of proposed resolution to be passed is appended hereto for your consideration.
5. The Postal Ballot Notice is being sent to all members, whose names appear in the Register of members/list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on **6<sup>th</sup> November, 2020 being cutoff date.**
6. Each equity share carries one vote and voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on **6<sup>th</sup> November, 2020 being cutoff date.**
7. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means as an alternative mechanism. For this purpose, the Company is availing e-voting platform of NSDL in order to enable the members to cast their votes electronically. Please note that only remote e-voting is provided by the company.
8. The Postal Ballot Notice and Postal Ballot Form would also be made available on the website of the Company at [www.naveentile.com](http://www.naveentile.com) and the website of BSE and NSE.
9. The vote in this Postal Ballot cannot be exercised through proxy.
10. The E-voting period begins at 9.00 A.M. on Friday, 27<sup>th</sup> November, 2020 and ends at 5.00 P.M. on Saturday, 26<sup>th</sup> December, 2020. During this period shareholder of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. 06.11.2020 may cast their votes through E-voting facility. The E-voting module shall be disabled by NSDL for voting thereafter.
11. The Scrutinizer will submit his report to the Chairman of the Company, or any other person authorized by the chairman in writing, after completion of scrutiny of postal ballot process by remote E-voting. The results of the postal ballot will be announced on or before 28<sup>th</sup> December, 2020 (Monday) at 5.00 P.M or before and will be displayed on the website of the Company at [www.naveentile.com](http://www.naveentile.com) and intimated to BSE and NSE and shall also be intimated to Canbank Computer Services Limited, the registrar and share transfer agents of the Company.
12. The last date for the E-voting i.e., Saturday, 26<sup>th</sup> December, 2020 shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. All the material documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection on the registered office of the Company until the last date for the E-voting.
13. In compliance with Regulation 44 of the SEBI Listing Regulations and Sections 108 and 110 and other applicable provisions of the Company Act and its Rules and MCA Circulars, the Company is only offering E-voting facility to the shareholders, to enable them to cast their votes electronically. The Company has engaged the services of CDSL to provide E-voting facility.
14. Members holding shares in physical mode are:
  - a) required to submit their Permanent Account Number (PAN) and bank account details to the Company / Canbank Computer Services Limited (RTA), if not registered with the Company, as mandated by SEBI.
  - b) advised to register nomination in respect of their shareholding in the Company. Nomination Form (SH-13).
  - c) requested to register / update their e-mail address with the Company / Canbank Computer Services Limited (RTA) for receiving all communications from the Company electronically.
15. Members holding shares in electronic mode are:

- a) requested to submit their PAN and bank account details to their respective Depository Participants (“DPs”) with whom they are maintaining their Demat accounts.
- b) advised to contact their respective DPs for registering nomination.
- c) requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

**Voting through electronic means:**

- (a) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Obligations and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to cast their vote electronically, through the e-voting services provided by NSDL on all resolutions set forth in this Notice, through remote e-voting to all members.
- (b) The remote e-voting period commences on Friday, 27, November, 2020 (9.00 a.m. IST) and ends on Saturday, 26<sup>th</sup> December, 2020 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on **06<sup>th</sup> November, 2020 being cutoff date may cast their vote**. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the Member, shall not be allowed to change it subsequently.
- (c) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **06<sup>th</sup> November, 2020 being cutoff date**.

**The instructions for e-voting are as under:**

**A. In case a Member receives an e-mail (for Members whose e-mail addresses are registered with the Company/ Depositories) :**

- (a) Open the e-mail and also open PDF file namely “Remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (b) Open the internet browser and type the following URL:<https://www.evoting.nsdl.com>.
- (c) Click on Shareholder – Login.
- (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- (e) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- (f) The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- (g) Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- (h) Select “EVEN” (E-Voting Event Number) of Murudeshwar Ceramics Limited. Now you are ready for E-voting as Cast Vote page opens.
- (i) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (j) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (k) Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- (l) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to [sunil\\_j\\_shah@yahoo.com](mailto:sunil_j_shah@yahoo.com) and [investor@naveentile.com](mailto:investor@naveentile.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- (m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**B. Physical copy of Notice of Postal Ballot and Postal Ballot Form will not be sent:**

**C. Other Instructions:**

- (a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of [URL:https://www.evoting.nsdl.com](https://www.evoting.nsdl.com) and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.
- (b) During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- (c) Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- (d) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and NSDL e-Voting manual or contact to help desk of e-Voting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS:**

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the ‘Act’), given hereunder sets out all material facts relating to the special business mentioned at the said item of the accompanying Notice dated 13<sup>th</sup> November, 2020 and necessary information or details in respect of the proposed Preferential Allotment of Ordinary Shares and Warrants in terms of Section 42 of the Act read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the ‘SEBI ICDR Regulations’) are as under:

**1. Particulars of the offer including date of passing of Board resolution, kind of Securities offered, maximum number of Securities to be issued and the Issue Price:**

The Board of Directors in its meeting held on 13<sup>th</sup> November, 2020, has approved, subject to the shareholders’ approval by way of passing of the Special Resolution through Postal Ballot and other necessary approvals (including applicable statutory and regulatory approvals) and in compliance with applicable laws and regulations, raising of funds by way of creating, offering, issuing and allotting, 4757390 Equity Shares of face value Rs. 10.00 (Rupees Ten only) each at an issue price of Rs.18.00 per equity share and 5363948 Share Warrants in one or more tranches on preferential basis at an issue price of Rs. 18.00 (Rupees Eighteen only), each carrying a right to subscribe to one Equity Share of face value of Rs. 10.00 at premium of Rs.8.00 per Warrant, a proposal for raising fund to strengthen the fund position of the Company in order to meet certain needs as explained herein under, on a preferential basis (‘Preferential Allotment’) to Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited, promoters or promoters group as under:

Name of Allottee (Promoters Group)	No. of Equity Shares (FY: 2020-21)	Share Warrants to be converted in to Equity Shares		Face Value (In Rs.) Equity Share	Issue Price* (In Rs.)
		1 <sup>st</sup> Tranche (FY: 2021-22)	2 <sup>nd</sup> Tranche (FY: 2022-23)		
Murudeshwar Power Corporation Limited*	3090724	2616559	2747389	10.00	18.00
Naveen Mechanised Construction Company Private Limited*	1666666	Nil		10.00	18.00

\* Both the companies are existing shareholder under the category of promoter’s group.

- (i) Up to 47,57,390 Equity Shares at a price of Rs. 18.00 per Equity Share aggregating to Rs. 8,56,33,020.00 (Rupees Eight Crores fifty Six Lakhs Thirty Three Thousands and twenty only); and

- (ii) Up to 53,63,948 Convertible Warrants (**‘Warrants’**), each carrying a right to subscribe to one Equity Share per Warrant, at a price of Rs. 18.00 per Warrant (**‘Warrant Price’**), aggregating to Rs. 9,65,51,064 (Rupees Nine Crores Sixty Five Lakhs fifty one thousands sixty four Only),

*\*The above pricing will be subject to the minimum price available on the relevant date as on Friday, November 27, 2020 as per criteria prescribed in Chapter V of the SEBI (ICDR) Regulations as amended from time to time.*

The Information pertaining to the proposed preferential allotment in terms of the Chapter V of SEBI (ICDR) Regulations, 2018 and subsequent amendments there to is as stated below. As per Section 42 and 62 and other applicable provisions if any of the Companies Act, 2013, the companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, consent of the shareholders is sought for issuing the equity shares as stated in the resolution on a preferential basis.

The details of the issue and other particulars as required in terms of the Act and SEBI (ICDR) Regulations, 2018 in relation to the aforesaid Special Resolutions are given as under:

## **2. Objects of the Preferential Allotment:**

The proceeds of the issue will be utilized for expansion plan, working capital gap requirements, reduce the liability, and other general corporate purposes of the Company.

## **3. Relevant Date:**

In terms of the provisions of Regulation 161 of Chapter V of the SEBI (ICDR) Regulations, 2018 as amended from time to time, relevant date for determining the floor price for the Preferential Allotment of the Equity Shares and Warrants is Thursday, November 26, 2020 being the 30 days prior to the date of General Meeting i.e. Saturday, December 26, 2020.

## **4. Basis on which the floor price has been arrived at and justification for the price (including premium, if any)**

The Equity Shares of the Company are listed on Stock Exchanges viz, BSE Limited (**‘BSE’**) and National Stock Exchange of India Limited (NSE together with BSE referred to as **‘Stock Exchanges’**). The Equity Shares are frequently traded and NSE, being the Stock Exchange with higher trading volumes for the said period, has been considered in accordance with the SEBI ICDR Regulations.

In terms of the applicable provisions of the SEBI ICDR Regulations, the floor price at which the Equity Shares and Warrants shall be allotted is Rs.18.00, being higher of the following:

- a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twelve weeks preceding the relevant date; **or**
- b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

Adjustments for Warrants: The price determined above and the number of Ordinary Shares to be allotted on exercise of the Warrant shall be subject to appropriate adjustments, as permitted under applicable rules, regulations and laws as applicable from time to time.

*\*The above pricing will be subject to the minimum price available on the relevant date as on Friday, November 27, 2020 as per criteria prescribed in Chapter V of the SEBI (ICDR) Regulations as amended from time to time.*

## **5. Amount which the Company intends to raise by way of such securities:**

Up to a maximum of 18.22 Crores (Eighteen Crores Twenty Two Lakhs only)

## **6. Intent of the Promoters, directors or key managerial personnel of the Company to subscribe to the Preferential Allotment:**

The Equity Shares and Warrants shall be offered to Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited, promoters or promoters group of the Company. Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited has indicated its intention to subscribe to the Preferential Allotment. None of the Directors or Key Managerial Personnel of the Company intends to subscribe to any of the Equity Shares/Warrants proposed to be issued under the Preferential Allotment.

**7. Time frame within which the Preferential Allotment shall be completed:**

As required under the SEBI ICDR Regulations, the Equity Shares and Warrants shall be allotted by the Company within a period of 15 days from the date of passing of this Resolution provided that where the allotment of the proposed Ordinary Shares and Warrants is pending on account receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions. The Warrants may be exercised by the Warrant holder, in one or more tranches, at any time on or before the expiry of 18 months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be exercised along with the aggregate amount payable thereon. The Company shall accordingly, without any further approval from the shareholders of the Company, allot the corresponding number of Equity Shares in dematerialized form.

**8. Shareholding pattern of the Company Pre and Post the Preferential Allotment:**

<b>8 (A) Shareholding Pattern of the Company Pre and Post allotment of EQUITY SHARES on Preferential Basis:</b>					
Sl. No.	Category	Pre-Issue*		Post - Issue	
		No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
<b>A</b>	<b>Shareholding Pattern of the Promoter and Promoters' Group</b>				
1	Individuals/ Hindu Undivided Family	6594734	13.862	6594734	12.602
2	Bodies Corporate	25198552	52.967	29955942	57.243
	<b>Total of A</b>	<b>31793286</b>	<b>66.829</b>	<b>36550676</b>	<b>69.845</b>
<b>B</b>	<b>Shareholding Pattern of the Public Shareholder</b>				
1	Mutual Funds	700	0.001	700	0.001
2	Foreign Portfolio Investors	900	0.002	900	0.002
3	Financial Institutions and Banks	4698	0.010	4698	0.009
4	Insurance Companies	211087	0.444	211087	0.403
5	Individual	13471940	28.318	13471940	25.744
6	Non-Resident Indian	630816	1.326	630816	1.205
7	Clearing Members	58085	0.122	58085	0.111
8	Hindu Undivided Family	457629	0.962	457629	0.874
9	Bodies Corporate	944781	1.986	944781	1.805
	<b>Total of B</b>	<b>15780636</b>	<b>33.171</b>	<b>15780636</b>	<b>30.155</b>
	<b>Grand Total of A+B</b>	<b>47573922</b>	<b>100.000</b>	<b>52331312</b>	<b>100.000</b>

\*as on September 30, 2019

**8 (B) Shareholding Pattern of the Company Pre and Post exercise of WARRANTS INTO EQUITY Shares:**

Sl. No.	Category	Pre-Issue		Post - Issue	
		No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
<b>A</b>	<b>Shareholding Pattern of the Promoter and Promoters' Group</b>				
1	Individuals/ Hindu Undivided Family	6594734	12.60188929	6594734	11.430
2	Bodies Corporate	29955942	57.24286446	35319890	61.218
	<b>Total of A</b>	<b>36550676</b>	<b>69.84475375</b>	<b>41914624</b>	<b>72.648</b>
<b>B</b>	<b>Shareholding Pattern of the Public Shareholder</b>				
1	Mutual Funds	700	0.001	700	0.001
2	Foreign Portfolio Investors	900	0.002	900	0.002
3	Financial Institution and Banks	4698	0.009	4698	0.008
4	Insurance Companies	211087	0.403	211087	0.366
5	Individual	13471940	25.744	13471940	23.350
6	Non-Resident Indian	630816	1.205	630816	1.093
7	Clearing Members	58085	0.111	58085	0.101
8	Hindu Undivided Family	457629	0.874	457629	0.793
9	Bodies Corporate	944781	1.805	944781	1.638
	<b>Total of B</b>	<b>15780636</b>	<b>30.155</b>	<b>15780636</b>	<b>27.352</b>
	<b>Grand Total of A+B</b>	<b>52331312</b>	<b>100.000</b>	<b>57695260</b>	<b>100.000</b>

\*as on September 30, 2019, and the above shareholding pattern has been arrived on the assumption that the entire 5363948 Share Warrants proposed to be issued would be converted into Equity Shares.

**9. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the Preferential Allotment:**

The Equity Shares and Warrants are proposed to be allotted to Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited, promoters or promoters group of the Company. Details of Shareholding and Voting rights of Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited, promoters or promoters group of the Company is as under:

Proposed Allottees	Pre-Preferential Allotment		Post Preferential Allotment			
	As on Sept 30, 2020		Post Allotment of Equity Shares		*Post exercise of Warrants into Ordinary Shares	
	No.	%	No.	%	No.	%
Murudeshwar Power Corporation Limited	12570000	26.422	15660724	29.926	21024672	36.441
Naveen Mechanised Construction Company Private Limited	488086	1.026	2154752	4.118		

Notes:

\*The shareholding post exercise of Warrants as shown above is calculated assuming full exercise of Warrants and consequent allotment of the Equity Shares of the Company.

- (a) The majority of the equity shares of Murudeshwar Power Corporation Limited (MPCL) and Naveen Mechanised Construction Company Private Limited (NMCCPL) are held by Dr. Rama Nagappa Shetty, Shri Satish Rama Shetty, Shri Sunil Rama Shetty, Shri Naveen Rama Shetty and their family who are the promoters of MPCL and NMCCPL, who ultimately control the proposed allottees. The said details of natural persons is given only for the purpose to know natural persons.
- (b) There shall be no change in management or control of the Company pursuant to the aforesaid issue of Equity Shares (including those arising from exercise of Warrants) and Warrants. However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.

#### 10. Lock-in Period:

The Ordinary Shares (including those arising from exercise of Warrants) and Warrants shall be locked-in for such period as may be specified under Regulation 167 and 168 of the SEBI ICDR Regulations. The entire pre-preferential allotment shareholding of Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited shall be locked-in from the relevant date up to a period of six months from the date of the trading approval as specified under Regulation 167(6) of the SEBI ICDR Regulations.

#### 11. Undertakings:

- None of the Company, its Directors or Promoter have been declared as willful defaulter as defined under the SEBI ICDR Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI ICDR Regulations.
- The Company is eligible to make the Preferential Allotment to its Promoter under Chapter V of the SEBI ICDR Regulations.
- As the Equity Shares have been listed for a period of more than twelve weeks as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable.

#### 12. Auditors' Certificate:

The certificate from K G Rao & Co., No. 15, 3rd Cross, Sampige Road, Citi Centre, Balmatta, Malleshwaram, Bengaluru – 560003 being the Statutory Auditors of the Company certifying that the Preferential Allotment is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations shall be available for inspection by the Members during the postal ballot e-voting period any working days except Sundays, Saturdays and Public Holidays between 1.00 P.M to 5.00 P M.

#### 13. Other disclosures:

- Report of registered valuer is not required under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Allotment.
- During the previous 12 (twelve) months from the Relevant date, the Company has not made any preferential allotment.
- Neither the Company nor its directors or Promoter have been declared as willful defaulter in terms of the SEBI ICDR Regulations.
- The Company is eligible to make the Preferential Allotment to its Promoter under Chapter V of the SEBI ICDR Regulations.
- The proposed allottees or any Company in the Promoter group have not sold or transferred any Equity Shares during the six months preceding the relevant date.



CIN: L26914KA1983PLC005401

REGD. OFF. MURUDESHWAR BHAVAN, No. 604/B, GOKUL ROAD, HUBBALLI - 580 030.  
Phone: 9180-42897000; Email: [cosec@naveentile.com](mailto:cosec@naveentile.com), Website: [www.naveentile.com](http://www.naveentile.com)

- Company confirms that the Shares of the Company are Listed in The Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange Limited. Mumbai and is a frequently traded share in terms of Regulation 71A of SEBI (ICDR) Regulation.

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said Equity Shares and Warrants to Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited is being sought by way of a special resolution as set out in the said item of the Notice.

Issue of the said Equity Shares (including those arising from exercise of Warrants) would be well within the Authorised Share Capital of the Company. The Board of Directors believe that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out in the said Item in the accompanying notice of postal ballot for approval by the members.

None of the Directors, Key Managerial Personnel or any relative of any of the Directors or Key Managerial Personnel of the Company is in anyway, concerned or interested in the above said resolution except Dr. R N Shetty, Mr. Satish R Shetty, Mr. Sunil R Shetty and Mr. Naveen R Shetty who is interested to the extent of their shareholding and directorship in Murudeshwar Power Company Ltd and Naveen Mechanised Construction Company Private Limited.

**By order of the Board  
For Murudeshwar Ceramics Limited**

**Sd./-  
Ashok Kumar  
Company Secretary & Compliance Officer  
M. No. 40962**

**Place: Bengaluru  
Date: 13.11.2020**

**Registered Office:**

**Murudeshwar Ceramics Limited**  
Murudeshwar Bhavan, No. 604/B, Gokul Road,  
Hubballi – 580 030, Karnataka.  
PH.: 0836 – 2331615 – 18, E-mail: [Investor@naveentile.com](mailto:Investor@naveentile.com)

**Corporate Office:**

**Murudeshwar Ceramics Limited**  
Naveen Complex, 7<sup>th</sup> Floor, No. 14, M. G. Road,  
Bengaluru – 560 001, Karnataka.  
PH.: 080 – 42897000, E-Mail: [cosec@naveentile.com](mailto:cosec@naveentile.com)