

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Shareholder(s),

NOTICE is hereby given that pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Management and Administration) Rules, 2014 (“Rules”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the resolutions as set out in this notice at item nos. 1 and 2 are proposed to be passed by means of Postal Ballot/Electronic Voting.

The statement pursuant to the provisions of Section 102 of the Companies Act, 2013 pertaining to the proposed resolutions setting out the material facts concerning each item and reasons thereof along with the Postal Ballot Form and self addressed Postage Prepaid envelope are enclosed hereto for your consideration.

The Board of Directors has appointed CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai, (Membership No.6252) as Scrutinizer for conducting the Postal Ballot /E-voting process in a fair and transparent manner.

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed overleaf the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Postage Prepaid Envelope. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent by courier or by registered post / speed post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self - addressed Postage prepaid Envelope. The duly completed Postal Ballot Form(s) should reach the Scrutinizer by not later than 5.00 p.m. on 12thFebruary, 2016 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member(s).

Members desiring to opt for E-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through Electronic Means'.

The Scrutinizer will submit his report to the Chairman of the Company after the completion of the Scrutiny of the Postal Ballot Forms (including E-voting). The result of postal ballot shall be declared on 16thFebruary, 2016 at 4.00 p.m. and communicated to BSE Limited, Central Depository Services (India) Limited (CDSL) and shall also be displayed on the Company's website at www.konarkgroup.co.in

PROPOSED RESOLUTIONS:

ITEM NO.1

INCREASE IN LIMITS OF LOANS AND INVESTMENTS, GUARANTEE AND SECURITY U/S 186 OF THE COMPANIES ACT, 2013

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

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to make loan to any person or other body corporate or give guarantee or provide security in connection with a loan taken / to be taken by subsidiaries / associates or any person or other body corporate; and to acquire by way of subscription, purchase or otherwise securities of any body corporate on such terms and conditions as the Board, may, in its absolute discretion deem fit, notwithstanding the fact that the aggregate of the investments, so far made, or securities so far provided, loan/guarantee so far given by the Company along with the proposed investments which exceeds 60% of the paid up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher, provided that the maximum amount of investments made or loan/ guarantee given / security

provided by the Company shall not exceed the sum of Rs. 1000 Crores (Rupees One Thousand Crores only) at any point of time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all such acts, deeds and things as may be required or necessary to give effect to the above resolution.”

ITEM NO.2

APPROVAL FOR RELATED PARTY TRANSACTIONS

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

“**RESOLVED THAT** pursuant to provisions of Sections 186, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Regulation 23 of the SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015 and Listing Agreement executed /to be executed with the Stock Exchange (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded for entering into / already entered into Related Party Transactions for the period and the values as detailed in below table:

Sr. No.	Name of the Related Party	Relationship	Nature of Transaction	Maximum Value of Transactions (Amount in Crores)		
				2015-16	2016-17	2017-18
1.	Konark Gujarat PV Private Limited	Step Down Subsidiary	Giving Loans and advances, providing guarantee or security	200	225	250
2.	India Denim Limited	Subsidiary	Giving Loans and advances, providing guarantee or security	200	225	250
3	Konark Infratech Private Limited	Subsidiary	Giving Loans and advances, providing guarantee or security	100	125	150
Total				500	575	650

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

By Order of the Board of Directors

Place: Mumbai
Date: 8th January, 2016

Prakashchand Dalmia
Chairman & Managing Director

Registered Office:
Mittal Industrial Estate,
Bldg.No 7, Ground Floor,
Sakinaka, Andheri East,
Mumbai 400059

Notes:

1. The Statement pursuant to the provisions of Section 102 of the Act stating all material facts and the reasons for the proposal is annexed herewith.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 8th January, 2016. The Postal Ballot Notice is being sent to Members in electronic form to the e-mail addresses registered with their Depository Participants (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For members, whose Email Ids are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a self-addressed postage-prepaid Envelope.
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on 8th January, 2016 will be considered for the purpose of voting.
4. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. Member(s) can opt for only one mode for voting i.e. either by physical Postal ballot Forms or E-voting. In case, Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms shall be treated as invalid.
6. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to info@konarkgroup.co.in. The Registrar and Share Transfer Agent / Company shall forward the same along with self addressed postage-prepaid Envelope to the Member.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the names of the Members as on 8th January, 2016.
8. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on all resolutions through the E-voting service facility arranged by CDSL. The E-voting facility is available at the link <https://www.evotingindia.com>. The instructions for electronic voting are annexed to this Notice.
9. Postal ballot cannot be exercised by proxies.
10. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed overleaf the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Postage Prepaid Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours (i.e. 5.00 p.m.) on 12th February, 2016. The postage will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered/ speed post at the expense of the Members will also be accepted. If any Postal Ballot Form is received after 5.00 p.m. on 12th February, 2016, it will be considered as if no reply from the Members has been received.
11. The Scrutinizer will submit his report to the Chairman of the Company after completion of scrutiny and the result of the voting by postal ballot will be announced by the Chairman or any Director of the Company duly authorized on 16th February, 2016 at 4.00 p.m. at the Registered Office of the Company and shall also be displayed on the Company's website i.e. (www.konarkgroup.co.in) and communicated to BSE Limited, Depository and Registrar and Share Transfer Agent on that date.
12. The date of declaration of the results of the postal ballot shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

INSTRUCTIONS FOR E-VOTING

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, the Company is pleased to offer E-voting facility to its members to cast their votes electronically on resolutions set forth in the Notice of postal Ballot dated 8th January, 2016. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the E-voting facility. It is hereby clarified that it is not mandatory for a member to vote using the E-voting facility, and a member may avail of the facility at his/her/its discretion, subject to compliance with the instructions prescribed below:

The E-voting facility is available at the link <https://www.evotingindia.com>.

(A) Procedure/Instructions for E-voting are as under:

- (a) Open the web browser during the voting period and log on to the e-voting website <https://www.evotingindia.com>.

- (b) Now click on “Shareholders” to cast the votes.
- (c) Fill up the following details in the appropriate boxes:
- (i) Now Enter the 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.
 - (ii) Next enter the Image Verification as displayed and Click on Login.
 - (iii) Members holding shares in demat form and had logged on to <https://www.evotingindia.com> and voted on an earlier voting of any company, then the existing password is to be used.
 - (iv) In case Member is 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 (printed on the address sticker) 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 Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in the Members' 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 (d) (i).

- (d) After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in Physical form will then reach directly to the EVSN selection screen. Members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution 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 to the members not to share their password with any other person and take utmost care to keep your password confidential.
- (e) For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- (f) Click on the EVSN for the Konark Synthetic Limited on which member choose to vote.
- (g) On the voting page, Members 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 the member assent to the Resolution and option NO implies that the member dissent to the Resolution.
- (h) Click on the 'Resolution File Link' if the member wishes to view the entire Postal Ballot Notice.
- (i) After selecting the resolution, the member has decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If the member wishes to confirm their vote, click on “OK”, else to change the vote, click on “CANCEL” and accordingly modify the vote.
- (j) Once the member 'CONFIRM” their vote on the resolution, they will not be allowed to modify their vote.
- (k) Members' can also take out print of the voting done by them by clicking on “Click here to print” option on the Voting page.
- (l) 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 & enter the details as prompted by the system.
- (m) Note for Institutional Shareholders and Custodian:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://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.

The details and instructions form an integral part of the Notice for the Postal Ballot dated 8th January, 2016.

(B) General:

- a) In case of any queries regarding E-voting, members may refer to the frequently asked questions (FAQS') and E-voting manual available at www.e-votingindia.com under 'Help' section or write an email to helpdesk.evoting@cdslindia.com
- (b) However, if the Member is already registered with CDSL for remote E-voting then he can use his existing user ID and password for casting their vote. In case Member forgets their password, they can reset the same by using "Forgot User Details/Password" option available on www.evotingindia.com.
- (c) The E-voting period commences on 14th January, 2016 (10.00 a.m.) and ends on 12th February, 2016 (5.00 p.m.). During the E-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th January, 2016, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (d) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 8th January, 2016.
- (e) CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai, (Membership No. 6252) has been appointed as Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
- (f) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the E-voting period unblock the votes in the presence of at least two witnesses not in 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.
- (g) The Results of the e-voting along with the scrutinizer's report shall be placed at the Company's website www.konarkgroup.co.in and on the website of CDSL immediately after the result is declared by the Chairman.

**STATEMENT PURSUANT TO THE PROVISIONS OF
SECTION 102 OF THE COMPANIES ACT, 2013**

ITEM NO. 1:

As per the provisions of Section 186 of the Companies Act, 2013 a Company, without obtaining prior approval of the shareholders by passing a Special Resolution, a company cannot grant any loan to any person or other body corporate/give any guarantee or provide security in connection with a loan taken by it or other body corporate or person or acquire by way of subscription, purchase or otherwise, securities of any body corporate for an amount exceeding-

- i) Sixty per cent of its paid up capital, free reserves and securities premium account; or
- ii) One hundred per cent of its free reserves and securities premium account, whichever is more.

The Company has embarked upon a growth path and is constantly reviewing opportunities for expansion of its business operations either directly or through its subsidiaries / joint ventures companies and therefore it may require to provide support to meet long term financial and working capital requirements by way of loan(s) and/or guarantee(s) and/or security(ies) / investment in securities of such subsidiaries / joint ventures / other bodies corporate.

It is therefore, proposed that the Board of Directors of the Company be authorized to invest by way of subscription and/or purchase of securities, grant of loan(s), giving of guarantee(s) and/or providing of security (ies) for an amount not exceeding Rs. 1000 Crores from time to time in/to one or more of the persons/entities i.e. subsidiaries /joint ventures / other bodies corporate. The source of funds for making these investments would be surplus funds generated by the Company through operations or from such other sources as the Board may deem appropriate. Since the above investments, loans, guarantees and/or securities proposed together with the loans and investments already made, guarantee and securities already given may exceed the limit as specified in Section 186 of the

Companies Act, 2013 read with Companies (Meetings of Board & its Powers) Rules, 2014 and Rule 22 of Companies (Management and Administration) Rules, 2014, approval of the members is required for the same.

The Board of Directors accordingly recommends the Special Resolution as set out at item no. 1 of the Notice for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

ITEM NO. 2:

In view of the nature of business, it is essential for the Company to provide guarantee, security and make loans and advances to its related parties for the business transactions.

As per the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Konark Gujarat PV Private Limited, India Denim Limited and Konark Infratech Private Limited are related parties under Section 2(76) of the Companies Act, 2013.

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the proposed transactions with aforesaid parties will be in ordinary course of business and the same requires approval from shareholders of the Company.

The details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below

a	Name of Related Parties	Konark Gujarat PV Private Limited	India Denim Ltd.	Konark Infratech Pvt Ltd
b	Name of Director or KMP who is related	Mr. Satish Deshmukh	1. Mr. Prakashchand Dalmia 2. Mr. Mahendra Agarwal 3. Mr. R B Somani 4. Mrs. Kavita Bhat	1. Mr. Prakashchand Dalmia 2. Mr. Amitabh Kejriwal 3. Mr. Mahendra Agarwal
c	Nature of relationship	Step Down subsidiary	Subsidiary	Subsidiary
d	Nature of Contract	Giving Loans and advances, providing guarantee or security	Giving Loans and advances, providing guarantee or security	Giving Loans and advances, providing guarantee or security
e	Term & Monetary Value (Rs. In Crores)			
	2015-16	200	200	100
	2016-17	225	225	125
	2017-18	250	250	150

The above proposals were approved by the Audit Committee at its meeting held on 8th January, 2016 and is recommended by the Board of Directors vide resolution passed at its meeting held on 8th January, 2016 to the shareholders of the Company, eligible to vote, for their approval.

The Board of Directors accordingly recommends the Ordinary Resolution as set out at item No.2 of the Notice for approval of shareholders.

Except the directors mentioned above, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

By Order of the Board of Directors

Place: Mumbai
Date: 8th January, 2016

Prakashchand Dalmia
Chairman & Managing Director

Registered Office:
Mittal Industrial Estate, Bldg. No 7,
Sakinaka, Andheri East,
Mumbai 400059

POSTAL BALLOT FORM

(Please read carefully the instructions printed overleaf before exercising the vote)

Serial No. _____

1	Name(s) of Member(s)/Beneficial owner(s), including joint holders, if any (IN BLOCK LETTERS)			
2	Registered address of the sole/first named Member(s)/Beneficial owner(s)			
3	Registered folio No./DPID No./Client ID No.* (*Applicable to investors holding shares in dematerialized form)			
4	Number of share(s) held			
4	I/We hereby exercise my/our vote in respect of the resolutions to be passed through postal ballot for the business stated in the Notice of postal ballot issued by the Company dated 8 th January, 2016 by sending my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:			
Item No.	Description of the Resolution	No. of Equity Share(s)	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1	Special Resolution u/s 186 of the Companies Act, 2013 for increase in the powers of the Company to give loan to any person or other body corporate/give guarantee or provide security in connection with a loan to any person or other body corporate or acquire by way of subscription, purchase or otherwise the securities of any other body corporate upto Rs. 1000 Crores.			
2	Ordinary Resolution for approval of Related Party Transactions.			

Place :

Date : -----, 2016

(Signature of the shareholder)

General Instructions

1. Shareholders have option to vote either through E-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Postal Ballot Form, then he/she should not vote by E-voting and vice versa. However, in case Shareholders cast their vote through both physical Postal Ballot form and E-voting, then vote(s) cast through E-voting shall be considered, and vote(s) cast through physical Postal Ballot shall be treated as invalid.
2. The notice of Postal Ballot is dispatched/e-mailed to the members whose names appear on the Register of Members as on 8th January, 2016 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical Postal Ballot form or E-voting cannot be exercised by a proxy.

Instructions for voting through physical Postal Ballot Form

1. A Member desiring to exercise vote by Assent / Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, CS Manish L. Ghia, Partner, M/s. Manish Ghia and Associates, Company Secretaries, Mumbai (Membership No. 6252) and send the same so as to reach the Scrutinizer at the Registered Office of the Company on or before the close of working hours (i.e. 5.00 p.m.) on 12th February, 2016. All Forms received after this date will be strictly treated as if the reply from such member has not been received.
2. This form should be completed and signed by the Shareholder (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 Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Postal Ballot Form for every folio / Client ID irrespective of the number of joint holders.
7. A Member may request for a duplicate Postal Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot form except giving their assent or dissent and putting their signature. If any other paper is sent along with the form the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Postal Ballot Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.