



engro polymer & chemicals

January 17, 2020

The General Manager
Pakistan Stock Exchange Limited
Pakistan Stock Exchange Building
Stock Exchange Road
Karachi.

**NOTICE OF THE TWELFTH EXTRAORDINARY GENERAL MEETING OF
ENGRO POLYMER & CHEMICALS LIMITED**

Dear Sir,

We are enclosing herewith the Notice of the Twelfth Extraordinary General Meeting of Engro Polymer & Chemicals Limited to be held on Friday, February 14, 2020 at 10:00 a.m. at Karachi School of Business & Leadership, National Stadium Road, Opposite Liaquat National Hospital, Karach for circulation amongst the TRE Certificate Holders of the Exchange accordingly.

Thank you,

KHAWAJA HAIDER ABBAS
Company Secretary

Encl: As above.

cc: Director/HOD,
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue,
Blue Area, Islamabad.

ENGRO POLYMER & CHEMICALS LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the 12th Extraordinary General Meeting of Engro Polymer & Chemicals Limited (the "Company") will be held on 14th February, 2020, at 10 a.m. at Karachi School of Business & Leadership, National Stadium Road, Opposite Liaquat National Hospital, Karachi to transact the following business:

1. SPECIAL BUSINESS:

To consider and, if thought fit, pass the following resolutions as special resolutions, with or without modification, pursuant to the provisions of Sections 58 and 83(1)(b) of the Companies Act, 2017 (along with all applicable laws), for the purposes of (i) specifying / altering the nature, rights and privileges of the "Preference Shares" of the Company as stipulated in the Articles of Association, along with making the necessary amendments in the Articles of Association of the Company; and (ii) authorizing the Company to issue up to 300,000,000 (Three Hundred Million) Preference Shares, with differential rights and privileges, having face value of PKR 10/- (Pak Rupees Ten) each, constituting up to approximately 33% of the existing paid up capital (which is currently 908,923,300 ordinary shares) and up to approximately 25% of the post-issuance paid up capital of the Company, other than by way of right, in favour of individuals, companies, body corporates, commercial banks, DFIs, financial institutions, mutual funds, provident / pension / gratuity funds / trusts etc. by way of pre-IPO placements and public offering, at a price of PKR 10/- (Pak Rupees Ten) per Preference Share (i.e. par value), in cash, aggregating up to PKR 3,000,000,000/- (Pak Rupees Three Billion).

"RESOLVED THAT, in accordance with the applicable provisions of the Companies Act, 2017, and subject to obtaining all necessary regulatory approvals, the following amendments to the articles of association¹ of the Company be and are hereby approved to, inter alia, specify / alter the nature, rights and privileges of the Preference Shares of the Company:

The "Terms and Conditions of Issue of Preference Shares" appearing in Article 4 shall hereby stand deleted and replaced in its entirety with the following:

"Terms and Conditions of Issue of Preference Shares

- (i) The holders of the Preference Shares shall not be entitled to receive notice, attend General Meetings or vote at such meetings of the Company, except as otherwise provided in the Companies Act, 2017;*
 - (ii) The Preference Shares shall be perpetual in nature, however, the same shall be subject to a conversion option and call option;*
 - (iii) The Preference Shares shall carry dividend at the rate of 6 month KIBOR + 3.5% per annum on a cumulative basis and payment of the same shall be at the discretion of the Board of Directors and shall be in priority to ordinary shareholders;*
 - (iv) The Preference Shares may be converted into ordinary shares of the Company at the option of the Preference Share holder after the expiry of 80 (eighty) months from the issue date based on a 1:1 ratio;*
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- (v) *The Preference Shares may be called and redeemed by the Company at its option, in full or in part, after the expiry of 12 (twelve months) from the issue date; and*
- (vi) *The Preference Shares shall have priority and preference over the ordinary shareholders of the Company in the event of liquidation / winding up of the Company."*

In Article 10, the following words shall be inserted after the word "Except" appearing in the beginning of the Article:

"for the purposes of exercising the call option pertaining to the Preference Shares or"

FURTHER RESOLVED THAT, subject to compliance with the applicable laws and obtaining the approval of the Securities and Exchange Commission of Pakistan ("SECP") pursuant to Sections 58 and 83(1)(b) of the Companies Act, 2017 (along with all applicable laws), the Company be and is hereby authorized to issue up to 300,000,000 (Three Hundred Million) Preference Shares, with differential rights and privileges, having a face value of PKR 10/- (Pak Rupees Ten) each, other than by way of right, in favour of individuals, companies, body corporates, commercial banks, DFIs, financial institutions, mutual funds, provident / pension / gratuity funds / trusts etc. by way of pre-IPO placements and public offering, at a price of PKR 10/- (Pak Rupees Ten) each, in cash, aggregating up to PKR 3,000,000,000/- (Pak Rupees Three Billion).

FURTHER RESOLVED THAT, the Company be and is hereby authorized and empowered to take all such actions including, but not limited to, filing the requisite applications for seeking the permission of the SECP and / or any other regulatory approvals that may be required under the applicable laws for the issuance of the Preference Shares.

FURTHER RESOLVED THAT, subject to obtaining the approvals of the Pakistan Stock Exchange Limited ("PSX") and the SECP, the Preference Shares be listed on the PSX and, for this purpose, the necessary applications may be made to the SECP and PSX, along with any other competent authorities / bodies, and all requisite steps be taken by the authorized representatives of the Company.

FURTHER RESOLVED THAT the Chief Executive Officer and / or Chief Financial Officer and / or Company Secretary of the Company, or such other person(s) as may be authorized by any of them, be and are hereby, jointly and severally, authorized and empowered to execute and deliver all necessary documents, take all necessary steps, and do all such acts, deeds and things including, but not limited to, carrying out all filings, submissions and applications with the PSX and the SECP, for and on behalf, and in the name, of the Company as may be necessary or required or as any of them may think fit for or in connection with or incidental for the purposes of fulfilling the above resolutions and fulfilling the objectives thereof.

FURTHER RESOLVED THAT the aforesaid resolutions shall be subject to any amendments, modifications, additions or deletions as may be suggested, directed or required by the SECP or any other regulatory body, which changes shall be deemed to be part of these special resolutions without the need of the shareholders to pass fresh resolutions unless the same are of a substantial nature."

2. ANY OTHER BUSINESS:

To transact any other business with the permission of Chair.

By order of the Board

Khawaja Haider Abbas
Company Secretary

Karachi: January 13, 2020

Notes:

1. The Share Transfer Books of the Company will be closed from Tuesday, February 04, 2020 to Friday, February 14, 2020 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Block 6, P.E.C.H.S. Shakra-e-Faisal, Karachi, PABX No. (92-21) 34380101-5 and email info.shares@famco.com.pk by the close of business (5:00 p.m) Monday, February 03, 2020 will be treated as being in time for the purposes to attend and vote at the meeting.
2. A member entitled to attend and vote at this Meeting shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting. A proxy need not be a member of the Company.
3. In case of Individuals, the account holder or sub account holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by showing his/her original computerized National Identity card (CNIC) or original passport at the time of attending the Extraordinary General Meeting.
4. In case of a Corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of Extraordinary General Meeting unless it has been provided earlier.
5. Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of sections 143 and 144 of the Companies Act 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.
6. In pursuance to Circular No. 10 of 2014 dated May 21, 2014, if the Company receives consent from members holding in aggregate ten percent (10%) or more shareholding residing at geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of video conference facility at least five (5) days before the meeting along with complete information necessary to enable them to access such facility. In order to avail this facility please provide the following information to our share registrar:

I/We _____, of _____ being a member of Engro Polymer & Chemicals Limited holder of _____ Ordinary Share(s) as per Register Folio No. _____ hereby opt for video conference facility at (Please insert name of the City)

Signature of member

**STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 REGARDING
THE SPECIAL BUSINESS TO BE TRANSACTED AT THE EXTRAORDINARY GENERAL MEETING**

This statement sets out below the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of Engro Polymer & Chemicals Limited (the "Company") to be held on Friday, February 14th, 2020 at 10:00 a.m.

The Company is desirous of:

- (i) specifying / altering the nature, rights and privileges of the Preference Shares of the Company, as stipulated in its Articles of Associations, along with making the necessary amendments to the Articles of Association in this respect; and
- (ii) issuing Preference Shares, with differential rights and privileges, having a face value of PKR 10/- (Pak Rupees Ten) each, constituting up to [approximately] 33% of the existing paid up capital (which is currently 908,923,300 ordinary shares) and up to approximately 25% of the post-issuance paid up capital of the Company (the "Preference Shares"), other than by way of right issue,

pursuant to Sections 58 and 83(1)(b) of the Companies Act, 2017 and other applicable laws, as permitted under the Articles of Association of the Company.

In light of the above, the Board in their meeting held on January 13, 2020 have approved:

- (i) the nature, rights and privileges of the Preference Shares of the Company, along with the requisite amendments to the Articles of Association of the Company; and
- (ii) the issuance of up to 300,000,000 (Three Hundred Million) Preference Shares of the Company, having face value of PKR 10/- (Pak Rupees Ten) each, other than by way of right, in favour of individuals, companies, body corporates, commercial banks, DFIs, financial institutions, mutual funds, provident / pension / gratuity funds / trusts etc. (the "Investors") by way of pre-IPO placements and public offering, at a price of PKR 10/- (Pak Rupees Ten) each, aggregating up to PKR 3,000,000,000/- (Pak Rupees Three Billion) (the "Direct Issuance").

The Preference Shares shall be issued other than by way of right to the Investors subject to: (i) the approval of the members of the Company; (ii) the approval of the SECP; and (iii) compliance with all relevant legal requirements.

It is highlighted that for the purposes of the amendments to the Articles of Association of the Company (pertaining to the Preference Shares) and the Direct Issuance, under the applicable laws, the Company is required to, *inter alia*, obtain the approval of its shareholders pursuant to Sections 38, 58 and 83(1)(b) of the Companies Act, 2017.

With respect to the proposed alteration in the Articles of Association of the Company, the comparative analysis is as follows:

Existing Article	Proposed Alteration
<p data-bbox="204 331 336 360">In Article 4</p> <p data-bbox="204 405 778 472">TERMS AND CONDITIONS OF ISSUE OF PREFERENCE SHARES</p> <p data-bbox="252 510 778 763">(i) The Preference Shares are non-convertible and non - redeemable. However, the Company can exercise a call option at any time after the 3rd anniversary of the issue subject to payment of all accumulated dividend payable to Preference Shareholders.</p> <p data-bbox="252 779 778 1368">(ii) The Preference Shares carry dividend at the rate of 14% per annum. Dividends will only be paid if, in a financial year, (a) the Company has made a profit after tax; and (b) a Dividend is proposed by the Board of Directors of the Company keeping in mind the investment and other cash needs of the Company. If any dividend is so available for being paid out it shall be payable on a cumulative basis prior to any dividend or other distribution payable to ordinary shareholders and such that the entitlement for dividends in any year shall not lapse if no dividend is paid in the year.</p> <p data-bbox="252 1384 778 1832">(iii) The preference shareholders shall not be entitled to receive notice, attend and vote at general meetings of the Company except as otherwise provided by the Companies Ordinance 1984 whereby the holders of such shares would be entitled to vote separately as a class, i.e. with respect to voting entitlement of preference shareholders on matters/issues affecting substantive sights or liabilities of preference shareholders.</p> <p data-bbox="252 1848 778 2018">(iv) The preference shareholders shall not be entitled to bonus or rights shares or participate in any profit of the Company except the right to receive dividends (if declared) being attached to the</p>	<p data-bbox="807 405 1382 472">TERMS AND CONDITIONS OF ISSUE OF PREFERENCE SHARES</p> <p data-bbox="807 510 1382 689">(i) The holders of the Preference Shares shall not be entitled to receive notice, attend General Meetings or vote at such meetings of the Company, except as otherwise provided in the Companies Act, 2017;</p> <p data-bbox="807 728 1382 869">(ii) The Preference Shares shall be perpetual in nature, however, the same shall be subject to a conversion option and call option;</p> <p data-bbox="807 907 1382 1115">(iii) The Preference Shares shall carry dividend at the rate of 6 month KIBOR + 3.5% per annum on a cumulative basis and payment of the same shall be at the discretion of the Board of Directors and shall be in priority to ordinary shareholders;</p> <p data-bbox="807 1153 1382 1323">(iv) The Preference Shares may be converted into ordinary shares of the Company at the option of the Preference Share holder after the expiry of 80 (eighty) months from the issue date based on a 1:1 ratio;</p> <p data-bbox="807 1361 1382 1503">(v) The Preference Shares may be called and redeemed by the Company at its option, in full or in part, after the expiry of 12 (twelve months) from the issue date; and</p> <p data-bbox="807 1541 1382 1720">(vi) The Preference Shares shall have priority and preference over the ordinary shareholders of the Company in the event of liquidation / winding up of the Company.</p>

<p>preference shares. However, in the event of winding up or liquidation of the Company the paid-up amount on preference shares will be paid back to the preference shareholders before any payment is made to ordinary shareholders.</p> <p>(v) The preference shares will be transferable and will be listed on the Karachi, Lahore and Islamabad Stock Exchanges.</p> <p>(vi) The preference shares will be issued soon after completion of all necessary legal formalities and regulatory approvals.</p>	
<p>In Article 10</p> <p>Except to the extent permitted by Section 95 of the Ordinance; no part of the funds of the Company shall be employed in the purchase of any shares of the Company, and the Company shall not give, whether directly or indirectly, and whether by any means of a loan; guarantee, the provisions of security or otherwise, any financial assistance for the purchase of or in connection with a purchase made or to be made by a person of any shares of the Company or give any loan upon the security of any shares of the Company.</p>	<p>Except <u>for the purposes of exercising the call option pertaining to the Preference Shares or to</u> the extent permitted by Section 95 of the Ordinance; no part of the funds of the Company shall be employed in the purchase of any shares of the Company, and the Company shall not give, whether directly or indirectly, and whether by any means of a loan; guarantee, the provisions of security or otherwise, any financial assistance for the purchase of or in connection with a purchase made or to be made by a person of any shares of the Company or give any loan upon the security of any shares of the Company.</p>

It is submitted that the Articles of Association of the Company are being altered to specify / alter the nature, rights and privileges of the Preference Shares of the Company. The proposed alterations are in line with the applicable provisions of the law and regulatory framework, subject to obtaining the necessary corporate and regulatory approvals.

Accordingly, the Board of Directors of the Company have recommended that the shareholders of the Company consider and, if thought fit, pass the resolutions set forth in the notice convening the extraordinary general meeting, which resolutions shall be proposed and passed as special resolutions based on the information contained herein and below.

The Board of Directors of the Company have no direct or indirect interest in the Special Business, except and to the extent of their respective shareholding in the Company.

The information required to be annexed to the Notice in accordance with Regulation 6 and Regulation 10 of the Companies (Further Issue of Shares) Regulations, 2018 (issued pursuant to Notification bearing no. SRO 769 (I)/ 2018 dated June 13, 2018) is set out below:

INFORMATION REQUIRED		DETAILS
(i)	Quantum of the Issue i.e. total number of shares to be issued and percentage of existing paid up capital share	Up to 300,000,000 (Three Hundred Million) Preference Shares of the Company, being up to 33% of the existing paid up capital of the Company (which is currently 908,923,300 ordinary shares), by way of a combination of pre-IPO placement and Initial Public Offering ("IPO") of at least 12.5% (twelve point five percent) of the issue size on the PSX in accordance with the PSX Rule Book and the Public Offering Regulations, 2017, along with all other applicable laws and regulations
(ii)	Issue price and justification thereof	<p>Pak Rupees 10/- (Pak Rupees Ten) per share i.e. at par value.</p> <p>The Preference Shares are to be issued at par value in light of their distinctive features. The terms / characteristics of the proposed Preference Shares are unique and fundamentally differ from those of the ordinary shares of the Company and hence a comparison with the market price of the listed ordinary share would not be appropriate or reflective of the value of the Preference Shares. A key difference is that the proposed Preference Shares are non- voting shares and offer a return which is fixed at 6 (six) month KIBOR + 3.5% with no certainty of equity upside that may be achieved through the conversion option as such option is exercisable after the effectiveness of the call option available to the Company.</p> <p>(Please note that KIBOR is the Karachi Interbank Offered Rate).</p>
(iii)	Name and brief profile of the Company to whom such shares are to be issued	The Preference Shares are intended to be issued to individuals, companies, body corporates, commercial banks, DFIs, financial institutions, mutual funds, provident / pension / gratuity funds / trusts etc. by way of pre-IPO placements and public offering.
(iv)	Purpose and justification of issue of shares other than right	<p>The funds received by the Company from the Direct Issuance shall be utilized to expand the Company's Poly-Vinyl-Chloride capacity and debottlenecking of Vinyl Chloride Monomer production capacity without increasing leverage, with the intention of obtaining tax credits under the applicable laws.</p> <p>It may be noted that the issuance of the Preference Shares other than by way of rights issue shall be subject to approval of the SECP.</p>

(v)	Justification as to why the proposed shares are to be issued other than right and not as rights shares	The features, terms and conditions of the Preference Shares offered via the Direct Issuance are unique and fundamentally differ from those of the ordinary shares of the Company. The liquidity, return offering and risk profile of the proposed Preference Shares are different from those of the ordinary shares which is why up to 87.5% (eighty seven point five percent) of the proposed Direct Issue is intended to be placed through pre-IPO placement primarily to institutional investors whilst the IPO portion will offer an opportunity to the general public, including existing shareholders of the Company, to participate in the Direct Issuance at their discretion.
(vi)	Break-up value per share Market price	PKR 19.24 as at September 30, 2019 Market Price as at January 10, 2020 – PKR 35.31 3 month average market price – PKR 31.68 6 month average market price – PKR 28.33 However, it may be noted that the aforementioned market price pertains to the ordinary shares of the Company, whereas the Company is seeking to issue Preference Shares.
(vii)	If proposed shares are to be issued for consideration other than cash, detail of non cash assets	The Preference Shares are being issued to the Investors for cash consideration.
(viii)	Utilization of the proceeds of the issue (in numeric terms under suitable heads) and benefits to the Company and its shareholders with necessary details	The Direct Issuance shall result in a stronger capitalization of the balance sheet and enable the Company to obtain sizeable tax credits under the applicable laws, the benefit of which will also accrue to the ordinary shareholders, without any additional investment by the ordinary shareholders.
(ix)	Existing shareholding of the Investors as the case may be to whom shares will be issued (in number as well as percentage vis-à-vis to existing paid up capital of the Company)	Not applicable since the details of the Investors cannot be ascertained at this time. As stipulated above, the Preference Shares are intended to be issued to individuals, companies, body corporates, commercial banks, DFIs, financial institutions, mutual funds, provident / pension / gratuity funds / trusts etc. by way of pre-IPO placements and public offering.
(x)	Total shareholding of the Investors after the proposed issue of shares (in number as well as percentage vis-à-vis to increased paid up capital of the Company)	Not applicable since the details of the Investors cannot be ascertained at this time.

(xi)	Whether the Investors to whom the shares are being issued has provided written consent to the Company	Not applicable since the details of the Investors cannot be ascertained at this time.
(xii)	Nature of the differential rights of the Preference Shares	<p>Terms and Conditions of Issue of Preference Shares</p> <p>(i) The holders of the Preference Shares shall not be entitled to receive notice, attend General Meetings or vote at such meetings of the Company, except as otherwise provided in the Companies Act, 2017;</p> <p>(ii) The Preference Shares shall be perpetual in nature, however, the same shall be subject to a conversion option and call option;</p> <p>(iii) The Preference Shares shall carry dividend at the rate of 6 month KIBOR + 3.5% per annum on a cumulative basis and payment of the same shall be at the discretion of the Board of Directors and shall be in priority to ordinary shareholders;</p> <p>(iv) The Preference Shares may be converted into ordinary shares of the Company at the option of the Preference Share holder after the expiry of 80 (eighty) months from the issue date based on a 1:1 ratio;</p> <p>(v) The Preference Shares may be called and redeemed by the Company at its option, in full or in part, after the expiry of 12 (twelve months) from the issue date; and</p> <p>(vi) The Preference Shares shall have priority and preference over the ordinary shareholders of the Company in the event of liquidation / winding up of the Company.</p>
(xiii)	Details of total number of Preference Shares proposed to be allotted to sponsors /directors	Not applicable since the details of the Investors cannot be ascertained at this time.
(xiv)	Details of total number of Preference shares proposed to be allotted to persons other than sponsors and directors and their relationship, if any, with sponsors/ directors	Not applicable since the details of the Investors cannot be ascertained at this time.
(xv)	The right of holders of Preference Shares to	The holders of the Preference Shares shall be entitled to dividend payment (subject to and as declared by the Company from time to time) in priority to the ordinary

	participate in profits or surplus funds	shareholders, out of the Company's profits, on a cumulative basis and calculated at the rate of 6 (six) month KIBOR + 3.5% per annum.
(xvi)	The right of holders of Preference Shares to participate in surplus assets and profits on winding-up	In the event of the Company's winding up, surplus assets and profits of the Company, if any, shall be distributed to the Preference Shares holders in priority to the ordinary shareholders.
(xvii)	The payment of dividend on cumulative or non-cumulative basis to holders of preference shares	Dividends will be paid to the Investors on a cumulative basis and calculated at the rate of 6 (six) month KIBOR + 3.5% per annum. Payment of the same shall be at the discretion of the Board of Directors and shall be in priority to ordinary shareholders.
(xviii)	Manner, mode, terms and conditions for conversion of Preference Shares into ordinary shares	<p>The Preference Shares shall be convertible into ordinary shares of the Company, having face value of PKR 10/- (Pak Rupees Ten) each, at the option of the holders of such Preference Shares ("Conversion Option") in the manner detailed below.</p> <p>The Conversion Option may be exercised by the holders after the expiry of 80 (eighty) months from the date of issuance of the Preference Shares, being the date on which the entire issue of the Preference Shares has been subscribed and the subscription amounts in respect thereof are received by the Company (the "Issue Date").</p> <p>Subject to receipt of notice from the relevant holders of the Preference Shares, in the manner detailed below, the Company shall be obligated to convert the relevant Preference Shares into ordinary shares of the Company on 1st January, 1st April, 1st July or 1st October of a particular year (each a "Conversion Date"). For every 1 (one) Preference Share held by a holder, such holder shall be allotted and issued 1 (one) ordinary share of the Company, credited as fully paid.</p> <p>Any shareholder seeking to exercise the Conversion Option shall provide the Company with at least 45 (forty five) days' prior notice, and the conversion shall be carried out on the relevant Conversion Date immediately following the expiry of such notice period. The relevant holders shall be entitled to convert up to 100% (one hundred percent) of the Preference Shares held by them (from time to time).</p> <p>Upon the conversion of the Preference Shares into ordinary shares of the Company, the newly issued ordinary shares shall rank pari passu in all respects with the existing ordinary shares of the Company, including with respect to voting rights and rights to receive dividend after the relevant Conversion Date.</p>

(xix)	Expected dilution in equity share capital upon conversion of Preference Shares	Existing share capital – 908,923,300 shares Conversion of 100% Preference Shares – 300,000,000 shares Share Capital post conversion – 1,208,923,300 shares Expected Dilution – 24.82%
(xx)	Entitled rights of holders of Preference Shares before and after conversion of preference shares into ordinary shares	<p>Prior to conversion, Preference Shares are non-voting shares. However, the holders of Preference Shares shall be entitled to dividend payment (subject to and as declared by the Company from time to time) in priority to the ordinary shareholders, out of the Company's profits, on a cumulative basis and calculated at the rate of 6 (six) month KIBOR + 3.5% per annum. In the event of the Company's winding up, surplus assets and profits of the Company, if any, shall be distributed to the Preference Shares holders in priority to the ordinary shareholders.</p> <p>Upon the conversion of the Preference Shares into ordinary shares of the Company, the newly issued ordinary shares shall rank pari passu in all respects with the existing ordinary shares of the Company, including with respect to voting rights and rights to receive dividend after the relevant Conversion Date.</p>
(xxi)	Manner, mode, terms and conditions for whole or partial redemption of Preference Shares	<p>The Company shall be entitled to call and redeem the Preference Shares, or any part thereof, from the holders of the Preference Shares, from time to time, after the expiry of 12 (twelve) months from the Issue Date ("Call Option"). In the event that the Company seeks to exercise the Call Option, the Company shall provide the holders with at least 30 (thirty) days prior notice. In the event of a partial redemption, the Preference Shares shall be redeemed pro rata from all holders.</p> <p>The price for each Preference Share to be redeemed, as part of the Call Option, shall be equal to its par value plus any undistributed / accumulated dividend.</p>
(xxii)	The change in control, if any, in the Company that may occur consequent to the issue of Preference Shares with differential voting rights	Not Applicable as the Preference Shares do not carry any voting rights.
(xxiii)	Shareholding pre and post issue of Preference Shares with differential voting rights	<p>Pre Issuance: Approximately 33%</p> <p>Post Issuance: Approximately 25%</p>

(xxiv)	Remedy available to holders of Preference Shares in case of failure of the Company to redeem or convert or share profit or impart any rights thereof being contrary to the terms of conditions of the proposed issue or disclosures made by company	As per law
(xxv)	Mechanism on resolving disputes with members regarding any feature of Preference Shares or shares with differential rights	As per law