

Hincon Holdings Limited

(CIN: U67120MH1996PLC102787)

Regd Office: Hincan House, 11th Floor, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083.

Website: www.hinconholdings.com **Tel.:** +91 22 25751000 **Fax:** +91 22 25775950

Notice of Postal Ballot

NOTICE TO MEMBERS PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013:

Notice is hereby given to the Members of Hincan Holdings Limited, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, ('the Act') read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and other applicable laws and regulations to seek the consent of Members, of Hincan Holdings Limited, for the proposed following resolutions by way of postal ballot.

SPECIAL BUSINESS:

1. To provide security in favour of the Lenders of Hindustan Construction Company Ltd (or their designated agents/nominees/ trustees), in respect of borrowings/loans availed by Hindustan Construction Company Ltd (HCC):

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

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board to exercise the powers conferred on the Board by this Resolution), to provide security, in connection with the borrowings/loan(s) availed by Hindustan Construction Company Ltd (HCC) from its Lenders (hereinafter 'HCC Lenders'), by way of (i) extending/recreating the existing Pledge created over 20,07,03,600 equity shares of face value ₹1/- each of Hindustan Construction Company Ltd held by the Company ('Original Pledged Shares') pledged under the Original Pledge Agreement dated 31st October, 2012, in favour of the Security Trustee, for the benefit of the CDR Lenders for the enhanced/renewed working capital limits granted by such lenders to HCC as recorded in the minutes of the meeting dated 01 October 2015 of the working capital consortium and for the benefit of the Secured Parties covered in the Common Loan Agreement (CLA) dated January 11, 2016 executed between HCC and the CLA Lenders and (ii) for creating a first ranking pari passu Pledge over 1,53,20,000 equity shares of face value ₹1/- each of Hindustan Construction Company held by the Company ('Additional shares') in favour of the Security Trustee, for the benefit of (a) the Secured Parties covered in the Corporate

Debt Restructuring Package (CDR) approved for HCC as per the Master Restructuring Agreement (MRA) dated 29th June, 2012 executed between HCC and the CDR Lenders and (b) CDR Lenders for the enhanced/renewed working capital limits granted by such lenders to HCC as recorded in the minutes of the meeting dated 01 October 2015 of the working capital consortium; and for the benefit of the Secured Parties covered in the CLA, not exceeding 21,60,23,600 equity shares of face value ₹1/- each of HCC held by the Company, in aggregate, constituting 27.73 per cent shares, in the present paid up equity share capital of HCC, in order to secure the facilities availed by HCC under CDR and CLA and such other facilities, if any, as may be sanctioned by the HCC Lenders from time to time (hereinafter 'borrowings/loans availed by HCC') notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary for providing the aforesaid security in a form and manner acceptable to HCC Lenders and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate.

2. Creation of Charge by way of Pledge on equity shares held by the Company in Hindustan Construction Company Limited to secure the borrowings/loans availed by Hindustan Construction Company Limited:

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board to exercise the powers conferred on the Board by this Resolution) for creating a Charge, by way of (i) extending/recreating the existing Pledge created over 20,07,03,600 equity shares of face value ₹1/- each of Hindustan Construction Company Ltd held by the Company

('Original Pledged Shares') pledged under the Original Pledge Agreement dated 31st October, 2012, in favour of the Security Trustee, for the benefit of the CDR Lenders for the enhanced/renewed working capital limits granted by such lenders to HCC as recorded in the minutes of the meeting dated 01 October 2015 of the working capital consortium and for the benefit of the Secured Parties covered in the Common Loan Agreement (CLA) dated January 11, 2016 executed between HCC and the CLA Lenders and (ii) for creating a first ranking pari passu Pledge over 1,53,20,000 equity shares of face value ₹1/- each of Hindustan Construction Company held by the Company ('Additional shares') in favour of the Security Trustee, for the benefit of (a) the Secured Parties covered in the Corporate Debt Restructuring Package (CDR) approved for HCC as per the Master Restructuring Agreement (MRA) dated 29th June, 2012 executed between HCC and the CDR Lenders and (b) CDR Lenders for the enhanced/renewed working capital limits granted by such lenders to HCC as recorded in the minutes of the meeting dated 01 October 2015 of the working capital consortium; and for the benefit of the Secured Parties covered in the CLA, not exceeding 21,60,23,600 equity shares of face value ₹1/- each of HCC held by the Company ('Equity shares'), in aggregate, constituting 27.73 per cent shares, in the present paid up equity share capital of HCC, in order to secure the facilities availed by HCC under CDR and CLA and such other facilities, if any, as may be sanctioned by the HCC Lenders from time to time (hereinafter 'borrowings/loans availed by HCC') in addition to the existing charges, mortgages and hypothecations created by the Company, in such form and manner and with such ranking, whether exclusive, pari-passu, subservient or otherwise and at such time and on such terms as the Board may determine, in order to secure the aforementioned borrowings of HCC and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to, between the Board of Directors and the HCC Lender(s) (or their designated agents/ nominees/ trustees).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem fit, necessary or appropriate.

For and on behalf of the Board of Directors

AJIT GULABCHAND
Chairman

Registered Office:

Hincon House,
11th Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: April 28, 2016

Notes:

1. The statement to be annexed to Notice under Section 102 (1) of the Act setting out the material facts and reasons for the proposed Special resolutions under Item Nos. 1 & 2, is also appended herewith and is being sent to you along with a postal ballot form for your consideration.
2. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL) on July 8, 2016.
3. Mr. B. Narasimhan, Proprietor, B. N. & Associates, Practising Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440) has been appointed by the Board of Directors of your Company as the Scrutinizer for conducting the postal ballot / remote e-voting process in a fair and transparent manner.
4. You are requested to carefully read the instructions printed on the postal ballot form and return the completed form in the enclosed self-addressed postage pre-paid envelope (if posted in India), so as to reach the Scrutinizer on or before the close of working hours on Tuesday, 23rd August, 2016, the last date for receipt of the completed Postal Ballot Forms. The postage on the enclosed self-addressed postage pre-paid envelope shall be borne and paid by the Company.

Please note that all postal ballot forms received after 23rd August, 2016 (5.00 pm) will be strictly treated as if the reply from the member has not been received.

5. E-Voting Option

In compliance with Section 108 and other applicable provisions of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time (including any statutory modification or re-enactment thereof, for the time being in force), we are pleased to provide remote e-voting facility for our members which would enable you to cast your votes electronically, instead of despatching physical postal ballot form. E-voting is optional and all members (whether holding shares in demat form or physical form) may vote either by completing and despatching the postal ballot form by post or by remote e-voting. The Company has engaged the services of National Securities Depository Limited ('NSDL') as the authorised agency to provide the facility of casting the votes by the members electronically.

Please carefully read and follow the instructions on remote e-voting as printed in this notice.

The process and manner for remote e-voting are as under:

The Company has decided to send all the postal ballot Notices to its shareholders holding the shares as on the cut-off date in physical form only.

Once Member receives physical copy of the Postal Ballot Notice :

- i) Initial password is provided as below in the Postal Ballot Form :

| EVEN (Remote e-voting Event Number) | USER ID | PASSWORD/ PIN |
|--|----------------|--------------------------|
| | | |

ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>

iii) Click on Shareholder - Login

iv) Put user ID and password as initial password/PIN noted in step (i) above.

If you had logged on to www.evoting.nsdl.com earlier and registered for remote e-voting of any Company, then your existing user ID and existing password/PIN is to be used. Click Login.

v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

vii) Select 'EVEN' of 'Hincon Holdings Limited'

viii) Now you are ready for remote e-voting as 'Cast Vote' page opens.

ix) Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm when prompted'.

x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) who wish to cast their votes through remote e-voting are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature(s) of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through an e-mail to evoting.hinconholdings@gmail.com with a copy marked to evoting@nsdl.co.in

Additional Information :

In case Members have any queries relating to remote e-voting, they are requested to refer the 'Frequently Asked Questions (FAQs) for Members' and 'Remote e-voting User Manual for Members' available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

Members may also send their queries relating to e-voting to Ms. Pallavi Mhatre, Assistant Manager, NSDL at :

E-mail id: evoting@nsdl.co.in

Toll free No.: 1800-222-990

Tel. No. : 022 2499 4545

Members are requested to update their mobile numbers and e-mail IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.

6. **The e-voting period commences on Sunday, July 24, 2016 (9:00 am) and ends on Tuesday, August 23, 2016 (5:00 pm).** During this period members' of the Company,

holding shares either in physical form or in dematerialized form, as on the cut-off date of July 8, 2016, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the shareholder shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote by way of postal ballot form.

7. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 8, 2016.

8. Mr. B. Narasimhan, the Scrutinizer shall on the closure of the e-voting period after 5 pm on August 23, 2016 unblock the votes cast through remote e-voting in the presence of at least two(2) witnesses not in the employment of the Company and shall submit his report as soon as possible after the last date of receipt of postal ballot. but not later than Friday, August 26, 2016.

9. Kindly note that the Shareholders can opt for only one mode of voting, i.e., either by Physical Ballot or e-voting. If members are opting for e-voting, then do not vote by Physical Ballot also and vice versa.

However, in case Shareholders cast their vote by Physical Ballot and e-voting, then votes cast through e-voting shall prevail and be considered as valid and the votes cast through physical ballot will be treated as invalid.

10. Shareholders who do not receive the Postal Ballot Form may apply and obtain a duplicate thereof, from the Company or from Link Intime India Pvt. Ltd, Company's Registrars and Share Transfer Agents ('R & T Agents') at their address mentioned below, fill in the details and send the same to the Scrutinizer :

Link Intime India Pvt. Ltd
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078
Phone : +91 22 25963838
Fax: +91 22 25946969

11. In case, shares are jointly held, the postal ballot form should be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.

In case of shares held by Companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority letter together with attested specimen signature(s) of the duly authorized signatory/ ies, giving requisite authority to the person voting on the Postal Ballot Form.

12. A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the Postal Ballot Form.

13. The vote in this Postal Ballot cannot be exercised through proxy.

14. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot / remote e-voting will be final.

15. The Scrutinizer will submit his report to the Chairman of the Company or such other authorized person in this regard, after the completion of the voting period by aggregating

the physical ballots and also the votes cast electronically through remote e-voting. The results of the postal ballot will be announced by the Chairman on Friday, 26th August, 2016 at the Registered Office of the Company. The result of the postal ballot will also be displayed on the Company's website www.hinconholdings.com and on the website of NSDL within two days after the date of announcement of the result of the postal ballot. The date of announcement of the result of postal ballot shall be taken to be the date of passing of the resolutions as mentioned in this Notice.

For and on behalf of the Board of Directors

AJIT GULABCHAND
Chairman

Registered Office:

Hincon House,
11th Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: April 28, 2016

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 1 & 2

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if a special resolution is passed by the members of the Company.

The Members are informed that the Board had on June 29, 2012, approved the creation of pledge over 200,703,600 shares of face value ₹ 1/- each ('Original Pledged Shares') of HCC held by the Company (also referred as 'Promoter Company'), then constituting 33.09 per cent shares in the then paid up equity share capital of HCC, in favour of the CDR Lenders (or their designated agents/ nominees/ trustees) and the same was accordingly pledged in favour of the Security Trustee for the benefit of the Secured Parties of CDR under the Original Pledge Agreement dated 31st October, 2012 as a security by the Promoter Company in accordance with the terms and conditions of the CDR Approved Package for HCC

The Members are informed that the aforesaid Security Interest in respect of the Original Pledged Shares has to be extended/ recreated in favour of the Security Trustee, for the benefit of the CDR Lenders for the enhanced/renewed working capital limits granted by such lenders to HCC in favour of the Security Trustee as recorded in the minutes of the meeting dated 01 October 2015 of the working capital consortium.

As per the terms and conditions of the Common Loan Agreement (CLA) dated January 11, 2016 executed by HCC with the CLA Lenders, the aforesaid security Interest on the Original Pledged shares has to be extended in favour of the Security Trustee, for the benefit of the Secured Parties covered in the CLA as well.

Further, as a part of the stipulation in the CDR Package of HCC, the Company had made Promoter Contribution to HCC and thereupon HCC had made corresponding Preferential Allotment of 1,53,20,000 Equity Shares of Re.1/- each to the Company ("Additional Shares") upon which as well Pledge is required to be created for the benefit of (a) the Secured Parties covered in the CDR and (b) CDR Lenders for the enhanced/renewed working capital limits granted by such lenders to HCC as recorded in the minutes of the meeting dated 01 October 2015 of the working capital consortium; and for the benefit of the Secured Parties covered in the CLA as additional security as per the respective terms and conditions of the MRA/CLA.

Accordingly, permission is sought from shareholders pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for creating the Security Interest in favour of HCC Lenders (or their designated agents/ nominees/ trustees) in order to secure the facilities availed/ to be availed by HCC as stated under resolution at Item No. 1 as the creation of the said security interest by way of Pledge on the 216,023,600 equity shares of face value ₹1/- each of HCC held by the Company, in aggregate, shall exceed the limits specified under Section 186 of the Act.

The security so provided will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under.

The shareholders are also informed that as per provisions of Section 180(1)(a) of the Companies Act 2013, the creation of a Charge, by way of Pledge over the above mentioned 21,60,23,600 equity shares of face value ₹1/- each of HCC held by the Company, in aggregate, in favour of the Security Trustees for the benefit of the HCC Lenders, in the manner specified in the Resolution at Item No. 2 may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company, should the pledge be invoked in part or as a whole, by the HCC Lenders and hence, requires approval from the members of the Company by way of a Special Resolution as put forth at Item No. 2.

Accordingly, it is proposed to pass an enabling special resolution at Item No. 2 authorizing the Board to create the necessary Security Interest/Charge by way of Pledge over the above mentioned shares. of HCC, held by the Company.

The Board accordingly recommends to pass the Special resolutions at Item Nos. 1 & 2 through postal ballot.

None of the Directors of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the foregoing resolutions at Item Nos. 1 & 2 except to the extent of their shareholding in the Company.

For and on behalf of the Board of Directors

AJIT GULABCHAND
Chairman

Registered Office:

Hincon House,
11th Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: April 28, 2016