

# **MUZALI ARTS LIMITED**

**(Formerly Known as Welcon International Limited)**

Registered Office: Plot No. 3 B-44 Near Manav Mandir Katol Road Yerla Nagpur - 441501.

Phone: +91 8655012379

E-mail ID: office@muzaliarts.com; Website: www.muzaliarts.com

**CIN: L20100MH1995PLC322040**

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## **CORRIGENDUM TO NOTICE OF THE 27TH ANNUAL GENERAL MEETING**

MUZALI ARTS LIMITED had issued NOTICE dated 07th September, 2022 for its 27th Annual General Meeting (AGM), scheduled for 30th September, 2022, Friday at 09:30 AT Plot No. 3 B-44, Near Manav Mandir, Kantol Road, Yerla, Nagpur, Maharashtra, India- 441501. The AGM Notice has already been circulated to all the Shareholders of the Company in due compliance with the provisions of the Companies Act, 2013 and read with the Rules made thereunder.

Members are requested to note the explanatory statement for item No. 6 attached thereto as under and a Corrigendum to Notice of 27th Annual General Meeting shall be send to all the shareholders to whom the notice of 27th Annual General Meeting has been sent and the said corrigendum shall also be published in the newspaper and uploaded on the website of the Company i.e. <https://muzaliarts.com/investor-relations> and stock exchange website i.e. www.bseindia.com

This corrigendum shall be read in conjunction with the AGM Notice. All other contents of the AGM Notice, save and except as modified by this communication, shall remain unchanged.

### **REVISED CONTENTS OF THE NOTICE ARE AS SET FORTH HEREUNDER:**

#### **Explanatory Statement for Item No. 6 Pursuant to Section 102 of the Companies Act, 2013**

##### **Item No. 6: To Consider and approve the issue of equity shares on preferential basis.**

The Board of Directors of the Company, in its meeting held on 07 September 2022, subject to the approval of the members of the Company and such other approvals as may be required, approved the proposal for raising funds by way of issuance and allotment of up to 6333334 (Sixty Three Lakhs Thirty-Three Thousands Three Hundred and Thirty-Four) equity shares on preferential basis to Investors mentioned in the resolution no. 6.

Since the Company is a listed Company, the proposed Preferential Issue is in terms of the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any and Sections 42 and 62(1)(c) of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014.

The information as required under SEBI (ICDR) Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are given below:

#### **A. Objects of the Preferential issue**

The fund to be raised from the Proposed issue of Equity Shares will be utilize for a combination of part funding of the expenditure for expansion, support long term growth plans of the Company, Working Capital requirements and general corporate purposes and to pursue the main object of the company as stated in its Memorandum of Association (MOA).

#### **B. Maximum number of specified securities to be issued**

The Board of Directors in its meeting held on 07 September 2022 had approved the issue of equity shares and accordingly proposes to issue and allot in aggregate up to 6333334 (Sixty Three Lakhs Thirty-Three Thousands Three Hundred and Thirty-Four) Equity Shares of the face value of Rs.1/- (Rupees One Only) each ("the Equity Shares") at a premium of Rs.3/- (being not less than the price calculated in terms of ICDR Regulations) to Investors on a preferential basis.

#### **C. Amount which the company intends to raise by way of such securities**

Rs. 1,90,00,000/- (Rupees One Crore Ninety Lakhs Only)

#### **D. Intention of promoters / directors / key managerial personnel to subscribe to the offer:**

None of the Promoters/directors/ Key managerial person intend to subscribe to the preferential Issue of Equity Shares.

#### **E. Pricing of Securities to be issued:**

The Board has fixed the Price of Rs. 3/- per equity Shares.

#### **F. Basis on which the price would be arrived at:**

The Equity Shares of the Company are listed on BSE Limited (referred to as the "Stock Exchange"). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and BSE, being the Stock Exchange with the highest trading volume in respect of the Equity Shares of the Company has been recorded during the preceding twenty six weeks prior to the Relevant Date on the BSE.

In terms of the applicable provisions of the Chapter V of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the minimum price for the preferential issue of each equity share to be issued shall be a price, being higher of the following:

- a) The Average of 90 trading days of volume weighted average price of the related equity shares quoted on the Bombay stock exchange preceding the relevant date; or
- b) The Average of 10 trading days of volume weighted average price of the related equity shares quoted on the Bombay stock exchange preceding the relevant date; or
- c) The floor price arrived by an Independent Registered Valuer, ("Valuation Report dated 07<sup>th</sup> September, 2022 in terms of proviso to Regulation 164(1 ) of the Chapter V of SEBI (ICDR) Regulations, 2018 is Rs. 2.85 (Two Rupees Eighty Five Paise only).

The Board has fixed the floor price as Rs. 3/- per equity share and the said price fixed by the Board is highest of the above three prices calculated in terms of the ICDR Regulation and other applicable provision.

#### G. Relevant Date

In terms of the provisions of Chapter V of the ICDR Regulations, relevant date for determining the floor price for this Preferential Allotment of equity shares is 30<sup>th</sup> August 2022 being the 30 days prior to the date of Annual General Meeting.

#### H. Name and address of valuer who performed valuation:

Pursuant to the provision of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the Company has obtained a Valuation Report dated 07.09.2022 issued by a Registered Valuer namely CA Rashmi Shah, IBBI Registration No.: IBBI/RV/06/2018/10240 having office situated at 702, Shah Trade centre, Malad East, Mumbai 97.

#### I. Shareholding Pattern before and after the proposed preferential issue:

Sl. No	Category	Pre-Issue		Post-Issue	
		No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
1	Indian				
	Individuals/PAC	18388213	34.70	18388213	30.99
	Bodies Corporate				
	Any Other				
	<b>Sub Total A 1</b>	<b>18388213</b>	<b>34.70</b>	<b>18388213</b>	<b>30.99</b>
2	Foreign Promoter	1000000	1.89	1000000	1.68
	Individuals/NRI/Foreign				
	individuals/PAC				
	Bodies Corporate				
	<b>Sub Total A 2</b>	<b>1000000</b>	<b>1.89</b>	<b>1000000</b>	<b>1.68</b>
	<b>Total Promoters Group A= A1+A2</b>	<b>19388213</b>	<b>36.58</b>	<b>19388213</b>	<b>32.68</b>
B	<b>Public/Non-Promoters' Shareholding</b>				
1	<b>Institutional Investors</b>				
A	Mutual Funds/Banks/FI				
B	FII's	15000	0.03	15000	0.02
	<b>Sub Total B 1</b>	<b>15000</b>	<b>0.03</b>	<b>15000</b>	<b>0.02</b>
2	<b>Non Institutions</b>				
	Individual share capital upto Rs. 2 Lacs	18919171	35.70	23852504	40.20
	Individual share capital in excess of Rs. 2 Lacs	6178681	11.66	7578682	12.77
	Non-Resident Indian (NRI)	7099449	13.39	7099449	11.96
	Clearing Members	154206	0.29	154206	0.26
	Foreign Bodies Corporate				

	Indian Bodies Corporate	427839	0.81	427839	0.72
	Foreign Nationals				
	Others (HUF, NBFC and Trusts)	815441	1.54	815441	1.37
	<b>Sub Total B 2</b>	33594787	63.39	39928121	67.30
	<b>Total Public Share holding B-B1+B2</b>	33609787	63.42	39943121	67.32
	<b>GRAND TOTAL A+B</b>	<b>52998000</b>	<b>100</b>	<b>59331334</b>	<b>100</b>

\*Pre-issue shareholding pattern as on 30<sup>th</sup> August 2022

\*\* The post issue numbers and % of the equity share capital held by the Proposed Allottees has been calculated on the assumption that all 6333334 equity shares proposed to be issued to the Proposed Allottees.

#### J. Proposed time within which the allotment shall be completed

As required under the ICDR Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

#### K. The name of the proposed allottees, the identities of the persons who are the ultimate beneficial owners of the shares and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them

Sl.No	Details of Subscribers	PAN	Ultimate Beneficial Owner of the Proposed Allotee(s)	Pre-issue Holding	% to pre-issue Capital	No. of equity shares proposed to be issued	% to post
1	Mr. Swapnil Madanrao Samarth	BCZPS1820G	Not Applicable	0	0	66667	0.112363899
2	Mrs. Divya Naresh Chelani	AUPPC0260M	Not Applicable	0	0	100000	0.168545005
3	Mrs. Swati Rajkumar Jaiswal	AQFPJ9397J	Not Applicable	0	0	100000	0.168545005
4	Mr. Paresh Subhash Gandhi	ACMPG5252A	Not Applicable	0	0	83333	0.140453609
5	Mr. Ritesh Subhash Gandhi	ABQPG8387B	Not Applicable	0	0	83333	0.140453609
6	Mrs. Anuradha Paresh Gandhi	AFGPG9481E	Not Applicable	2000	0.003	166667	0.280908904
7	Mrs. Swati Shirish Jaiswal	AGUPJ4666K	Not Applicable	0	0	33333	0.056181107
8	Mr. Atul Jaiswal	AMJPJ2388M	Not Applicable	0	0	66667	0.112363899

9	Mr. Dharmeshkumar M Patel	AOVPP4331C	Not Applicable	1000	0.001	166667	0.280908904
10	Mr. Prakash Srikisan Jaiswal	ACCPJ9342G	Not Applicable	0	0	166667	0.280908904
11	Mr. Mukund Kulkarni	AOFPK2993F	Not Applicable	0	0	100000	0.168545005
12	Mr. Satish Krishnakumar Jaiswal	ADKPJ6827H	Not Applicable	0	0	66667	0.112363899
13	Mr. Shirish Shivkumar Jaiswal	AEAPJ7619A	Not Applicable	0	0	1666667	2.809083983
14	Mrs. Vaishnavi Sumeet Jaiswal	APNPJ7735F	Not Applicable	0	0	33333	0.056181107
15	Mrs. Reena Kaushal Gohil	APUPK1837L	Not Applicable	0	0	766667	1.292178935
16	Mr. Ajaz Shafi Mohammed	ANXPS2375J	Not Applicable	0	0	833333	1.404541149
17	Mr. Bhavesh Mahavir Khetan	AJPK9929P	Not Applicable	0	0	1333333	2.247266175
18	Ms. Sana Ajaz Shafi	AJXPN3076G	Not Applicable	0	0	333333	0.561816122
19	Ms. Ishneet Kaur	DOLPK0075M	Not Applicable	0	0	166667	0.280908904

#### L. Undertakings

In terms of SEBI (ICDR) Regulations, 2018, the Company hereby undertakes that:

- It shall re-compute the price of the Equity Shares issued in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.
- If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottees.
- The equity shares bought by the above allottee named Mrs. Anuradha Paresh Gandhi and Mr. Dharmeshkumar M Patel during the relevant pricing period are part of the pre-preferential holding and have been kept under lock-in to be in compliance with Regulation 167(6) of SEBI (ICDR) Regulations, 2018.

#### M. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

Not Applicable as the Company has not proposed to issue the shares for consideration other than cash.

#### N. Class or Classes of Persons to whom the allotment is proposed to be made

The allotment is proposed to be made to the Non-Promoter Investors as mentioned below:-

Sl.No	Name of the Proposed Allottee	Current Status of Allottee	Proposed Status of Allottee
1	Mr. Swapnil Madanrao Samarth	Non-Promoter	Non-Promoter
2	Mrs. Divya Naresh Chelani	Non-Promoter	Non-Promoter
3	Mrs. Swati Rajkumar Jaiswal	Non-Promoter	Non-Promoter
4	Mr. Paresh Subhash Gandhi	Non-Promoter	Non-Promoter
5	Mr. Ritesh Subhash Gandhi	Non-Promoter	Non-Promoter
6	Mrs. Anuradha Paresh Gandhi	Non-Promoter	Non-Promoter
7	Mrs. Swati Shirish Jaiswal	Non-Promoter	Non-Promoter
8	Mr. Atul Jaiswal	Non-Promoter	Non-Promoter
9	Mr. Dharmeshkumar M Patel	Non-Promoter	Non-Promoter
10	Mr. Prakash Srikisan Jaiswal	Non-Promoter	Non-Promoter
11	Mr. Mukund Kulkarni	Non-Promoter	Non-Promoter
12	Mr. Satish Krishnakumar Jaiswal	Non-Promoter	Non-Promoter
13	Mr. Shirish Shivkumar Jaiswal	Non-Promoter	Non-Promoter
14	Mrs. Vaishnavi Sumeet Jaiswal	Non-Promoter	Non-Promoter
15	Mrs. Reena Kaushal Gohil	Non-Promoter	Non-Promoter
16	Mr. Ajaz Shafi Mohammed	Non-Promoter	Non-Promoter
17	Mr. Bhavesh Mahavir Khetan	Non-Promoter	Non-Promoter
18	Ms. Sana Ajaz Shafi	Non-Promoter	Non-Promoter
19	Ms. Ishneet Kaur	Non-Promoter	Non-Promoter

**O. Change in control if any consequent to preferential issue**

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential issue.

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.

**P. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

During the year, preferential allotment upon conversion of Warrants into Equity has been made to following Promoters of the company:

S.No	Name of the Allottee	No. of Share	Total amount paid (including premium)
1	Murtuza Mansoorbhai	10,75,000	24,18,750
2	Farheen Murtuza Mansoorbhai	10,75,000	24,18,750

**Q. Lock-in period**

The Shares to be offered issued and allotted shall be subject to Lock-in as provided under the provisions of ICDR Regulations.

The entire pre preferential shareholding of the Mrs. Anuradha Paresh Gandhi and Mr. Dharmeshkumar M Patel, shall be locked-in from the relevant date up to the period of 6 months from the date of trading approval as per Regulation 167(6) of the ICDR Regulations.

#### **T. Certificate from Practicing Company Secretaries**

A certificate from CS Bhupendra Dave, Practicing Company Secretaries certifying that the issue of equity shares on preferential basis is being made in accordance with requirements of Chapter V of the SEBI ICDR Regulations, 2018 shall be available for inspection at the Registered office of the Company on all working days (excluding Saturdays and Sundays) during 10:00 A.M. to 5:00 P.M. up to the date of Annual General Meeting and all also be available during the Annual General Meeting.

The said Certificate will be uploaded on the Investor Relations page on the website of the Company i.e. <https://muzaliarts.com/investor-relations> before the Annual General Meeting

#### **U. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.**

None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

#### **V. Other disclosures**

In accordance with SEBI ICDR Regulations,

- i. Neither the Company nor any of its Promoters and Directors has been declared as a willful defaulter or a fraudulent borrower or a fugitive economic offender.
- ii. The Company has obtained Valuation Report from the registered valuer as required under the provisions of Companies Act, 2013 read with the rules made there under, Articles of Association of the Company.
- iii. The pre- preferential allotment of the person holding the shares are in dematerialized form.
- iv. The Regulation 166A of the Chapter V of SEBI ICDR Regulations are not applicable as the Company is not being allotted more than 5% of the post issue fully diluted share capital of Company to an allottee or to allottees acting in concert.
- v. The issue of Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Companies Act, 2013 and relevant regulations of SEBI (ICDR) Regulations and shall be made in a dematerialized form only.

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 to Investor specified in the resolution is being sought by way of a special resolution as set out in the said item of the Notice. Further in terms of Regulations 160 of ICDR Regulations, a special resolution needs to be passed by shareholders of a listed Company prior to issue of specified securities on preferential basis.

The resolution and the terms stated therein and in the explanatory statement herein above shall be subject to the guidelines/ regulations issued/ to be issued by the Government of India or the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other regulatory/ statutory

authorities in that behalf and the Board shall have the absolute authority to modify the terms contained herein or in the said resolution, if required by the aforesaid regulatory/ statutory authorities or in case they do not conform with the SEBI ICDR Regulations including any amendment, modification, variation or re-enactment thereof. Issue of the said Equity Shares would be well within the Authorized Share Capital of the Company.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors recommends the passing of the resolutions as set out in Item No. 6 as special resolution for your approval.

None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

**FOR MUZALI ARTS LIMITED**  
**(Formerly known as Welcon International Limited)**

**Sd/-**

**Farheen Mansoorbhai Murtuza**  
**Chairman and Managing Director**  
**DIN: 08965752**

**Date: - 26-09-2022**

**Place: - Nagpur**