



THANJAVUR SPINNING MILL LIMITED

CIN: U17111TN1961PLC004505

Registered Office: Rajapalayam Mills Premises, P.A.C. Ramasamy Raja Salai,
Rajapalayam – 626 117.

Phone No.: 04362-227852 Fax: 04362-226396

E-mail: tsml@ramcotex.com Website: www.thanjavurspinningmill.co.in

Notice of Postal Ballot

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

Dear Members,

- 1) The Company proposes to move **Special resolution** on the following matter **through postal ballot**:
 - (a) To **issue** 20,00,000 Nos. 9% Cumulative Optionally convertible Redeemable **Preference shares** of Rs.10/- each **to Shri P.R. Ramasubrahmaneya Rajha**.
- 2) Extracts of the resolution proposed, together with the Statement of material facts; and the Postal Ballot Form are enclosed.
- 3) **Mr. K. Sriram**, Practising Company Secretary, Chennai, has been appointed as the **Scrutiniser**, to conduct the Postal ballot process in a fair and transparent manner.
- 4) The Company is providing a facility to the Members for **voting by electronic means**. Members may participate in the postal ballot process either by:
 - (a) casting their vote on the enclosed **postal ballot form** and sending the duly completed and signed postal ballot form to:
Mr. K. Sriram, Scrutiniser
C/o. Thanjavur Spinning Mill Limited, Rajapalayam Mills Premises,
P.A.C. Ramasamy Raja Salai, Rajapalayam – 626 117.
 - (b) casting their vote on the **electronic voting** platform of Central Depository Services (India) Limited [**CDSL**].
- 5) This notice is being sent by e-mail to the registered e-mail ID of the Members who have registered their e-mail ID with the Company or with their Depository Participants (in case of holdings in dematerialised form) for the purpose of receiving electronic communications.
- 6) Members receiving this notice by e-mail, but who wish to cast their vote on the postal ballot form may request the Company for the same.
- 7) Members receiving this notice in physical form may cast their vote either on the postal ballot form or on the electronic voting platform of CDSL.

- 8) The detailed instructions for casting vote on the postal ballot form and for voting on the electronic voting platform of CDSL are provided in the postal ballot form.
- 9) Postage prepaid reply envelopes are enclosed with the postal ballot forms being sent to the Members in physical form, for facilitating the conveyance of assent or dissent by the Members.
- 10) The **last date and time for receipt of signed postal ballot forms** is **Wednesday 21st December 2016, 5.30 P.M.** Postal ballot forms received after that date and time will not be considered as valid and will be treated as if reply from the member has not been received.
- 11) **Voting** on the **electronic** voting platform of CDSL shall commence **from Tuesday 22nd November 2016, at 9.30 A.M., and end on Wednesday 21st December 2016, 5.30 P.M.** E-voting will be disabled by CDSL thereafter, and Members will not be allowed to vote on the electronic voting platform beyond that date and time.
- 12) The **results of the Postal ballot process** will be **declared** at the Registered office of the Company **on Thursday, 22nd December 2016, at 5.30 P.M.** by **Shri P. R. Ramasubrahmaneya Rajha, Chairman** of the Company, or in his absence by any other director or officer authorised by him in writing. Members who wish to be present at the time of declaration of result may be present at the above venue. The results shall then be placed on the website of the Company, along with the Scrutiniser's report.
- 13) **Shri S. Kanthimathinathan**, Director, and **Shri A. Karthiswaran**, Company Secretary, have been entrusted with the responsibility of ensuring smooth conduct of the Postal ballot process. Members having any queries, clarifications or **grievances connected with the voting by postal ballot** (including voting by electronic means) may communicate with either of them at the registered office of the Company or through telephone at 04362-227852, 04563-235666 or e-mail at tsml@ramcotex.com.

By order of the Board,

For **THANJAVUR SPINNING MILL LIMITED**

Rajapalayam
10th November 2016

P. R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

Enclosures:

1. Extracts of the resolution proposed, with the Statement of material facts.
2. Postal Ballot Form

Extracts of the resolution proposed

Issue of 20,00,000 Nos. of 9% Cumulative Optionally convertible Redeemable **Preference shares** of Rs.10/- each **to Shri P. R. Ramasubrahmaneya Rajha**.

To consider and if thought fit, to give assent / dissent to the following **Special resolution**:

“RESOLVED THAT pursuant to Sections 55, 42, 62(1)(c) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, approval of the Members be and is hereby accorded to issue, offer and allot upto **20,00,000 Nos. of 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each**, on preferential basis through private placement offer, in single or multiple tranches, **to Shri P. R. Ramasubrahmaneya Rajha**, Chairman and promoter, and allot Equity shares upon his opting for conversion, on the following terms and conditions:

1. The preference shares shall be issued at par, for consideration in cash, to be received through normal banking channels.
2. The preference shares shall be entitled to payment of dividend at the rate of 9% on the paid-up value of the shares, on cumulative basis, with a preferential right to payment of dividend over Equity shares of the Company.
3. The preference shares shall not be entitled to participate in the surplus profits remaining after payment of dividend on the preference shares, with the Equity shareholders (dividend, non-participating).
4. The preference shares shall be convertible in one or more tranches into Equity shares at the option of the preference shareholder(s), at any time after 1st July 2017, but not later than 31st December 2021, at the rate of 1 (one) Equity share of Rs.10/- each for every 1 (one) preference share of Rs.10/- each held.
5. If the option to convert is not exercised in whole or in part by the preference shareholder(s) on or before 31st December 2021, the Company shall redeem the preference shares at par, in single or multiple installments on or before 31st December 2022 in any manner as may be permitted under the Companies Act, 2013, as may be decided by the Board of Directors of the Company.
6. If at any time after 31st March 2017, the Company has distributable surplus, then the Board may decide to redeem the preference shares at par, in full or in part and in single or multiple installments, with the consent of the preference shareholder(s).

7. The preference shares shall, in the event of winding-up or repayment of capital, shall carry a preferential right to repayment of capital with the dividend, if any, due and payable thereon, over the Equity share capital of the Company; but shall not be entitled to participate in the surplus assets and profits remaining after repayment of the entire capital upon winding-up (that is, surplus non-participating).
8. The preference shares shall carry a right to vote only on resolution which directly affect the rights attached thereto, and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital or for such other purposes as may be permitted under the Companies Act, 2013.
9. On a poll, the voting right of the preference shareholder(s) shall be proportionate to his share in the paid-up preference share capital of the Company and the voting rights of the equity shareholders and the preference shareholder(s) shall be proportionate to their respective share in the paid-up share capital of the Company.

RESOLVED FURTHER THAT the equity shares allotted on the preference shareholder(s) opting for conversion shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including as to dividend with the existing Equity Shares of the Company.

RESOLVED ALSO THAT the Board be and is hereby authorised to:

1. take such steps and do all such acts, deeds and things as considered necessary, expedient, usual, proper or incidental in relation to the said matter and take such actions and give such directions as they may consider necessary or desirable and to obtain any approvals, permissions, sanctions, consents from governmental authority (ies) which may be necessary in relation to the issue and to give effect to this resolution.
2. delegate all or any of its powers to a Committee of Directors or Executives (as it may consider appropriate) to give effect to the aforesaid resolution including to execute any documents on behalf of the Company before any governmental authority (ies)."

Statement of material facts pursuant to Section 102 of the Companies Act, 2013

As per sub-rule (3) of Rule 9 and Clause (d) of Sub-rule 2 of Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 the disclosure required is as under:

Name of the Proposed allottee	Shri P. R. Ramasubrahmaneya Rajha Promoter and Director
% of Subscription by Proposed allottee	100%
Issue size	Rs. 2 Crores
Number of preference Shares	20,00,000 (Twenty Lakhs) Preference Shares
Nominal Value of each Share	Rs. 10/-each
Nature of preference Share	9% Cumulative Optionally convertible Redeemable Preference shares
Objective of the Issue	To redeem 20,00,000 Nos. of 9% Cumulative Optionally convertible Redeemable Preference shares of Rs.10/- each held by Shri P. R. Ramasubrahmaneya Rajha.
Manner of issue of Shares	Preferential basis through private placement offer
Class or class of persons to whom the allotment is proposed to be made	Promoter of the Company
Intention of promoters, Directors or Key Managerial Personnel to subscribe to the Offer	The entire Offer will be subscribed for by the Promoter.
Proposed time within which the allotment shall be completed	Within one year of passing of Resolution by Members.
No. of persons to whom already allotment on preferential basis have already been made during the year, in terms of number of securities as well as price.	Nil.

Issue pricing:

Based on a Valuation report obtained as on 30th September 2016 from M/s. N.A. Jayaraman & Co., Chartered Accountants, Chennai, the issue price has been fixed as Rs.10/- per share, and the terms of conversion have been fixed as 1 (one) Equity share of Rs.10/- each for every 1 (one) preference share of Rs.10/- each held. This report is available to the Members for inspection at the factory premises at Vallam One Road, Thanjavur, during business hours, till the end of the voting period. The dividend rate is the same as that of the existing redeemable preference shares.

Terms and conditions of issue:

1. The preference shares shall be issued at par, for consideration in cash, to be received through normal banking channels.
2. The preference shares shall be entitled to payment of dividend at the rate of 9% on the paid-up value of the shares, on cumulative basis, with a preferential right to payment of dividend over Equity shares of the Company.
3. The preference shares shall not be entitled to participate in the surplus profits remaining after payment of dividend on the preference shares, with the Equity shareholders (dividend, non-participating).
4. The preference shares shall be convertible in one or more tranches into Equity shares at the option of the preference shareholder(s), at any time after 1st July 2017, but not later than 31st December 2021, at the rate of 1 (one) Equity share of Rs.10/- each for every 1 (one) preference share of Rs.10/- each held.
5. If the option to convert is not exercised in whole or in part by the preference shareholder(s) on or before 31st December 2021, the Company shall redeem the preference shares at par, in single or multiple installments on or before 31st December 2022, in any manner as may be permitted under the Companies Act, 2013, as may be decided by the Board of Directors of the Company.
6. If at any time after 31st March 2017, the Company has distributable surplus, then the Board may decide to redeem the preference shares at par, in full or in part and in single or multiple installments, with the consent of the preference shareholder(s).
7. The preference shares shall, in the event of winding-up or repayment of capital, shall carry a preferential right to repayment of capital with the dividend, if any, due and payable thereon, over the Equity share capital of the Company; but shall not be entitled to participate in the surplus assets and profits remaining after repayment of the entire capital upon winding-up (that is, surplus non-participating).
8. The preference shares shall carry a right to vote only on resolution which directly affect the rights attached thereto, and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital or for such other purposes as may be permitted under the Companies Act, 2013.
9. On a poll, the voting right of the preference shareholder(s) shall be proportionate to his share in the paid-up preference share capital of the Company and the voting rights of the equity shareholders and the preference shareholder(s) shall be proportionate to their respective share in the paid-up share capital of the Company.

Expected dilution in capital and change in control:

Upon the proposed allottee being allotted, and opting for conversion of, 20,00,000 Preference shares,

1. The shareholding of the proposed allottee would change as follows:

Name of the proposed allottee	Pre-issue Equity shareholding (as on 10 th November 2016)		Post-conversion Equity shareholding (assuming complete conversion)	
	Shares	%	Shares	%
Shri P. R. Ramasubrahmaneya Rajha	4,41,234	16.34	24,41,234	51.94

2. There would be a change in control in favour of Shri P. R. Ramasubrahmaneya Rajha, to the extent of the increase in his Equity shareholding as above.
3. The expected dilution in equity share capital upon conversion of preference shares is 42.55%.

Pre-issue and post-issue shareholding pattern:

Sr. No.	Category	Pre-issue (as on 10 th November 2016)			Post-issue (Post redemption)		
		No. of Equity shares held	No. of Preference shares held	% of total paid-up capital	No. of Equity shares held	No. of Preference shares held	% of total paid-up capital
A.	Promoters' holding						
1.	Indian – Individuals	9,18,268	20,00,000 #	9.83	9,18,268	20,00,000 @	9.83
2.	Indian – Companies	-	2,50,00,000 **	84.18	-	2,50,00,000 **	84.18
	Sub-total (A)	9,18,268	2,70,00,000	94.01	9,18,268	2,70,00,000	94.01

B	Non-promoters' holding						
1	Institutional Investors	2,598	-	0.01	2,598	-	0.01
2	Non-institutions - Companies	8,186	-	0.03	8,186	-	0.03
3	Non-institutions - Directors and Relatives	7,03,334	-	2.36	7,03,334	-	2.36
4	Non-institutions - Indian Public	10,67,614	-	3.59	10,67,614	-	3.59
	Sub-total (B)	17,81,732	-	5.99	17,81,732	-	5.99
	Grand Total	27,00,000	2,70,00,000	100.00	27,00,000	2,70,00,000	100.00

@ The existing 20,00,000 Nos. of 9% Cumulative Optionally Convertible Redeemable Preference shares of Rs.10/- each will be redeemed immediately after the allotment of the proposed issue of 20,00,000 Nos. of 9% Cumulative Optionally Convertible Redeemable Preference shares of Rs.10/- each to Shri. P. R. Ramasubrahmaneya Rajha ,

Existing 20,00,000 Nos. of 9% Cumulative Optionally Convertible Redeemable Preference shares of Rs.10/- each will be redeemed immediately after the allotment of the proposed issue of 20,00,000. Nos. of 9% Cumulative Optionally Convertible Redeemable Preference shares of Rs.10/- each.

** 9% Cumulative Redeemable Preference shares of Rs.10/- each held by Rajapalayam Mills Limited.

The Board of Directors recommends the Resolution to the Members.

Nature of concern or interest of directors, key managerial personnel and their relatives:

Shri P. R. Ramasubrahmaneya Rajha, Chairman, and his relatives may be deemed to be interested in the resolution for issue of shares to him. Details of shares held by Shri P. R. Ramasubrahmaneya Rajha and his relatives are given below:

Sl.	Name	Equity shares of Rs.10/- each held	
		Number of shares	% of paid-up Equity shares
1.	Shri. P.R. Ramasubrahmaneya Rajha	4,41,234	16.34
2.	Smt. R. Sudarsanam	1,35,000	5.00
3.	Shri. P.R. Venketrama Raja	54,000	2.00
4.	Smt. R. Chittammal	1,422	0.05
5.	Smt. P.V. Nirmala	67,500	2.50
6.	Smt. Nalina Ramalakshmi	2,70,000	10.00
7.	Smt. Saradha Deepa	2,70,000	10.00
8.	Shri. N.R.K.Ramkumar Raja	400	0.01

None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in these items of business.

By order of the Board,

For **THANJAVUR SPINNING MILL LIMITED**

Rajapalayam
10th November 2016

P. R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN