



THANJAVUR SPINNING MILL LIMITED

[CIN: U17111TN1961PLC004505]

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

Phone No.: 04563-235666 Fax: 04563-236520

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 read with Rule 20 of the Companies (Management and Administration) Rules, 2014]

Dear Members,

- 1) The authorisation of the Shareholders is being sought, by way of a **Special Resolution**, for increasing the threshold limits under Section 186 of the Companies Act, 2013 upto Rs.50 Crores for making loans to or investments in any body corporate or person.
- 2) The special resolution proposed, together with the Statement of material facts thereto 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 also providing a facility to the Members for **voting by electronic means**. Members may participate in the postal ballot process by casting their vote:
 - (a) either 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.
 - (or)
 - (b) 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).
- 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 postal ballot form and for voting on the electronic voting platform of CDSL are provided in the postal ballot form.
- 9) Postage prepaid reply envelope is enclosed with the postal ballot form being sent to the Members in physical form, for facilitating them to convey their assent or dissent.
- 10) The **last date and time for receipt of signed postal ballot forms is Saturday, 9th February, 2019, 5.00 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 Friday, 11th January, 2019 at 9.00 A.M. and end Saturday, 9th February, 2019, 5.00 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 Monday, 11th February, 2019, at 5.00 P.M.**, by Shri S. Kanthimathinathan, Director of the Company, or in his absence by any other director or Key Managerial Person. 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 displayed in the notice board at the registered office and placed on the website of the Company, and would also be provided to Central Depository Services (India) Limited (CDSL).
- 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 04563-235666 or e-mail at tsml@ramcotex.com.

By order of the Board,
For **THANJAVUR SPINNING MILL LIMITED**

Rajapalayam
1st January, 2019

S. KANTHIMATHINATHAN,
DIRECTOR (DIN: 01124581)

Annexures:

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

Resolution proposed to be passed through postal ballot

TO ADVANCE LOANS/ MAKE INVESTMENTS

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

“RESOLVED THAT pursuant to the provisions of Section 186,188 and other applicable provisions if any of the Companies Act, 2013 (the Act) and the Rules made thereunder, and in supercession of the earlier resolutions in this regard, Board of Directors of the Company be and is hereby authorized to:

- (a) Give secured/ unsecured loans to any body corporate or person; or
- (b) Make investments in any securities of any body corporate or person; directly or indirectly, upto an amount not exceeding Rs. 50 Crores (Rupees Fifty Crores only), so transacted and outstanding at any point of time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary/ expedient in the interest of the Company from time to time to give effect to this Resolution, including delegating whole or part of their powers in this regard to any Committee of Directors, or any Director or Key Managerial Person of the Company, from time to time”.

For **THANJAVUR SPINNING MILL LIMITED**

Rajapalayam
1st January, 2019

S. KANTHIMATHINATHAN
DIRECTOR (DIN: 01124581)

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (the Act)

The Shareholders passed a special Resolution under Section 186 of the Companies Act, 2013 (the Act) on 10-08-2018, authorising the Board of Directors to make Inter Corporate Deposit to the extent of Rs. 25 Crores. Accordingly, the Company has made an Inter Corporate Deposit of Rs. 25.00 Crores with M/s Rajapalayam Mills Limited, which gives an interest yield of 9% per annum. The Company has deposited the remaining surplus funds with Banks. The rate of interest offered by Rajapalayam Mills Limited is higher than Bank deposit rate.

The Company is still in the process of selling all of its assets and further amounts have either been realized or in the pipe line. Such further realization would be sufficient to redeem the outstanding preference shares of Rs.27 Crores. However, the Company is presently not in a position to comply with Section 55 of the Companies Act, 2013 (the Act) read with Rule 9(6) of the Companies (Share Capital and Debentures) Rules, 2014 for such redemption as it does not have sufficient "profits which would be otherwise available for dividend". The Company is hence considering the alternate modes available under the Act and the Rules made thereunder for utilising the amount realized for redemption / repayment of the entire preference share capital along with arrears of dividend, if any.

In the interim period, the Company would like to maximize the earnings from the sale proceeds of assets by advancing secured/ unsecured loans to companies, including companies belonging to the RAMCO group, or making investments in securities, including units of mutual funds or such other investments as may be decided by the Board from time to time, instead of keeping the funds in low yielding bank deposits. The Company expects to earn better yield in this manner and at the same time ensure safety of the funds.

Hence the Company is seeking authorization from the Members to enable the Company for making Inter Corporate Deposits / Loans / investments under Section 186,188 of the Act upto Rs. 50 Crores outstanding at any point of time.

The Board of Directors recommends the Resolution to the Members since maximization of the earning from the funds would be in the interest of the Company and its Shareholders.

Disclosure of Interest:

- (i) None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in this Resolution, except to the extent of loans/ investments that may be made to Companies or related parties in which/ whom they may be interested.
- (ii) In case of Inter Corporate Deposits / Inter Corporate Loans / Investments with any Company, which are either related parties or otherwise, the Directors / Key Managerial Personnel and their relatives are deemed to be interested to the extent of their Shareholding in those Companies/ entities.
- (iii) Shri.P.R.Venketrama Raja promoter of the Company holds 19.88 % of paid up share capital of M/s Rajapalayam Mills Limited, with whom further substantial amount of Inter Corporate Deposits are very much likely to be placed.

For **THANJAVUR SPINNING MILL LIMITED**

Rajapalayam
1st January, 2019

S. KANTHIMATHINATHAN
DIRECTOR (DIN :01124581)