



SRI VISHNU SHANKAR MILL LIMITED

Reg. Office : Sri Vishnu Shankar Mill Premises, Post Box No.109,
P.A.C. Ramsamy Raja Salai, Rajapalaiyam 626 117,
Tamilnadu, Phone No. 04563-235555

CIN : U17301TN1981PLC008677 Website : www.vishnushankarmill.co.in
E-mail: svsm@ramcotex.com

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. In Terms of Section 110 of the Companies Act, 2013 (the Act), your Company proposes to transact an item of special business by means of a Postal Ballot, in the manner prescribed under Rule 22 of the Companies (Management and Administration) Rules, 2014 (the Rules).
2. Approval of the Members under Section 180 (1) (a) of the Act, by way of a Special Resolution, is being sought to enable the Company to directly or indirectly:
Sell the entire assets of Sri Vishnu Shankar Mill Limited - Andhra Pradesh Unit.
3. The Special resolution proposed, together with the Statement of material facts thereto and the Postal Ballot Form is enclosed.
4. Mr. K. Srinivasan, Chartered Accountant, Trichy, has been appointed as the Scrutiniser, to conduct the Postal Ballot process in a fair and transparent manner.
5. The Company is providing a facility to the Members to participate in the Postal Ballot process by casting their vote on the enclosed Postal Ballot form and sending the duly completed and signed Postal Ballot form to:
Mr. K. Srinivasan, Scrutiniser
C/o. Sri Vishnu Shankar Mill Limited
Sri Vishnu Shankar Mill Premises,
Post Box No. 109,
P.A.C. Ramasamy Raja Salai,
Rajapalaiyam 626 117.
6. The detailed instruction for casting vote is provided alongwith the Postal Ballot form.
7. This notice is being dispatched to the Members whose names appear in the Register of Members as on Wednesday, 10th July, 2019 (cut-off date) through Registered Post/Courier.
8. Members holding equity shares as on the cut-off date are entitled to exercise their right to vote through Postal Ballot form.
9. Postage prepaid reply envelope is enclosed with the Postal Ballot form being sent to the Members, for facilitating them to convey their assent or dissent.
10. The last date and time for receipt of signed Postal Ballot forms is Tuesday, 13th August, 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. The results of the Postal Ballot process will be declared at the registered office of the Company on Monday, 13th August, 2019, at 5.00 P.M., by Shri P.R. Venketrama Raja, Chairman 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.
12. Shri S. S. Ramachandra Raja, Director, and Shri V.Gurusamy, Authorised Signatory, 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 may communicate with either of them at the registered office of the Company or through telephone at 04563-235555 or e-mail at svsm@ramcotex.com.

Rajapalaiyam
28-05-2019

By order of the Board,
For **SRI VISHNU SHANKAR MILL LIMITED**

P.R. Venketrama Raja,
Chairman

Annexures:

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



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Resolution proposed to be passed through Postal Ballot

To consider and if deemed fit, to pass the following resolution as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under including any statutory modification(s) or re-enactments thereof for the time being in force and in accordance with the Memorandum and Articles of Association of the Company and all other applicable statutes, rules, regulations and guidelines and subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof), consent of the Members be and is hereby accorded to the Board of Directors for sale of Entire Assets of Sri Vishnu Shankar Mill Limited - Andhra Pradesh Unit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof, and do all such acts, deeds and things as may be considered necessary, expedient, usual, proper to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee or any Director or any Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.”

Rajapalaiyam
28-05-2019

By order of the Board,
For **SRI VISHNU SHANKAR MILL LIMITED**

P.R. Venketrama Raja,
Chairman

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Sri Vishnu Shankar Mill Limited (SVSML) has 70,032 Spindles and 2,016 Rotors and the details of various units in which the above spindle capacities are installed are given below:

Name of the Unit	No.of Ring Spindles	No.of Open End Rotors
Sri Vishnu Shankar Mill Limited, Rajapalaiyam	47,232	576
Sri Vishnu Shankar Mill Limited, Subramaniyapuram	16,800	0
Sri Vishnu Shankar Mill Limited AP Unit	6,000	1,440
Total	70,032	2,016

During the year 2008, the Company established Open End Spinning Mill at Gopinenipalem Village in Krishna District, Andhra Pradesh with 4 OE Spinning Machines having capacity of 1,440 Rotors. The OE Machines are capable of producing count range from 6s OE to 30s OE. Subsequently, the Company installed 5 Ring frames having capacity of 6,000 Spindles to produce 40s / 50s Combed and Carded Ring Yarn.

Capacity and turnover contribution by Sri Vishnu Shankar Mill Limited AP Unit for the FY 2018-19 is given below:

Particulars	Total Income (Rs.in Crores)	Production Capacity	
		No.of Ring Spindle	No.of Open End Rotors
Total Income / Capacity of the Company	199.65	70,032	2,016
Sri Vishnu Shankar Mill Limited AP Unit	26.54	6,000	1,440
Percentage	13.29%	8.56%	71.43%

Due to increase in cotton price, power cost, administrative overheads, absence of skilled labour and adverse market conditions, SVSM-AP Unit has incurred Cash Loss and financial performance of Sri Vishnu Shankar Mill Limited AP Unit for the last four years is given below:

(Rs.In Lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19
Turnover	3237	3728	3601	2654
Operating Profit	446	142	(54)	(9)
Interest	528	561	599	593
Depreciation	159	153	155	208
Net Profit / (Loss)	(241)	(572)	(808)	(810)
Cash Profit / (Loss)	(82)	(419)	(653)	(602)

Despite our continuous efforts to improve operational efficiency by way of exercising effective cost control measures and optimizing production, the Unit has incurred cash loss. Considering the market situation, the possibility of turning around the Unit is very remote and hence it is decided to sell the entire assets of Sri Vishnu Shankar Mill Limited Andhra Pradesh Unit.

As per Section 180(1) (a) of the Companies Act, 2013, the approval of the Shareholders by way of Special Resolution is required for sale of whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

Explanation for the purpose of this clause

- (i) "Undertaking" shall mean an undertaking in which the investment of the Company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the company during the previous financial year;
- (ii) The expression "substantially the whole of the undertaking" in any financial year shall mean twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year; Investments made by the Company in Sri Vishnu Shankar Mill AP Unit is more than 20% of the total net worth of the Company and the total income generated by Sri Vishnu Shankar Mill Limited AP Unit is less than 20% of the total income of the Company as per the Audited Balance Sheet of the Company for the FY 2018-19. The details are given below:

Particulars	Net Worth as on 31-03-2019 (Rs in Crores)	Total income as on 31-03-2019 (Rs in Crores)
Sri Vishnu Shankar Mill Limited	22.45	199.65
Investments made by the Company in SVSM AP Unit	26.98	---
Total income of SVSM AP Unit	---	26.54
% contributed by SVSM AP Unit	120.18%	13.29%

The transaction is part of the strategic plan of the Company to consolidate and focus on its profitable operating units at Rajapalayam and Subramaniapuram. The sale proceeds realized by the company would help the company to reduce its debt, which would improve its debt equity ratio. This would help the Company to keep its gearing at a lower level.

The Company is accordingly proposing this resolution for the consideration and approval of the Members by way of special resolution, through Postal Ballot as per the applicable provisions of the Companies Act, 2013. The Board is of the opinion that the aforesaid Resolution is in the best interest of the Company and its shareholders and hence, recommends the same for your approval.

None of the Directors and / or any Key Managerial Personnel of the Company and / or their relatives are concerned or interested in the Resolution except to the extent of their respective shareholdings, if any, in the company.

Rajapalayam
28-05-2019

By order of the Board,
For **SRI VISHNU SHANKAR MILL LIMITED**

P.R. Venketrama Raja,
Chairman



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POSTAL BALLOT FORM

S.No	Particulars	Details
1	Name of the First Named Shareholder (In Block letters)	
2	Postal Address	
3	Registered Folio No./ DP ID and Client ID (Applicable to investors holding shares in Dematerialized form)	
4	Class of Share	Equity

I/ We hereby exercise my/our vote in respect of the **Special Resolution** set out in the notice dated 28thMay, 2019 and briefly enumerated below, by recording my assent or dissent to the said resolution in the following manner:

S.No	Item	No.of Shares Held	I/ We assent to the resolution	I/ We dissent from the resolution
1	Special Resolution to enable the Company to sell the entire assets of Sri Vishnu Shankar Mill Limited Andhra Pradesh Unit.			

Place :

Date :

Signature of the shareholder

Notes: 1. Last date for Receipt of Postal Ballot Form by Scrutinizer: Close of working hours (5.00 p.m.) on Tuesday, 13th August, 2019.

Instructions:

Voting through Physical Postal Ballot Form

1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Company in the attached self-addressed postage prepaid envelope.
2. However, envelopes containing Postal Ballots, if sent by courier at the expense of the registered Shareholder will also be accepted.
3. The Postal Ballot Form should be completed and signed by the Shareholder. In case of joint holding, this form should be completed and signed by the first named Shareholder or in his/her absence, by the next named Shareholder.
4. A postal ballot form will be considered invalid on the following grounds:
 - a) A form other than one issued by the Company has been used.
 - b) It has not been signed by or on behalf of the Member.
 - c) Signature on the postal ballot form does not match with the specimen signature registered with the Company / Depository Participant.
 - d) If the Member has marked both in favour of and against the resolution.
 - e) It is not possible to clearly determine the assent or the dissent of the Member.
 - f) Neither assent nor dissent is mentioned.
 - g) Any competent authority has given directions in writing to the Company to freeze the voting rights of the Member.
 - h) The postal ballot form, signed in a representative capacity, is not accompanied by a certified true copy of the relevant specific authority.
 - i) If the ballot paper received is torn or defaced or mutilated to such an extent that its identity as a genuine form cannot be established or it is difficult for the Scrutiniser to identify the Member or the number of votes cast or whether the votes have been cast in favour or against the resolution.
 - j) Member has made any amendment to the resolution or imposed any condition while exercising his or her vote. The decision of the scrutiniser on the validity or otherwise of the postal ballot form / the votes cast shall be final.
5. Duly completed Postal Ballot Form should reach the Scrutiniser not later than the close of working hours that is, 5.00 P.M., Tuesday, 13th August, 2019.
6. Postal Ballot Form received after this date and time will be strictly treated as if reply from the Member has not been received.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members on 10th July, 2019.
8. In case of shares held by Companies, trusts, societies, bodies corporate or institutional investors, the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authority, failing which the postal ballot form will be considered as invalid.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed pre-paid self-addressed envelope in as much as all such envelopes will be sent to the Scrutiniser and any extraneous paper found in such envelope would be destroyed by the Scrutiniser.