



THAMBBI MODERN SPINNING MILLS LIMITED
CIN: U17111TZ1977PLC000776
Regd. Office: Omalur Road, Jagir Ammapalayam, Salem – 636302
Email: tmsml@ymail.com

POSTAL BALLOT NOTICE

(Pursuant to section 108 and 110 of the Companies Act, 2013, read with Rule 20 and Rule 22(1) of the Companies (Management and Administration) Rules, 2014, as amended)

Dear Shareholder(s),

NOTICE is hereby given that pursuant to and in compliance with the provisions of Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs, inter-alia, for conducting the postal ballot through remote e-voting vide, General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated 23 June 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 05, 2022 and 11/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs (“MCA Circulars”) (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time), Secretarial Standard on General Meeting - 2 (“SS-2”) issued by the Institute of Company Secretaries of India and other applicable laws and regulations, if any, the resolutions as appended below of Thambbi Modern Spinning Mills Limited (the “Company”) are proposed for approval of the shareholders of the Company through postal ballot by remote e-voting process (“e-voting”). Further, the explanatory statement pursuant to Section 102(1) of the Act setting out all material facts relating to the resolution mentioned in this Postal Ballot Notice is attached.

In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Act, read with (i) Rule 20 and Rule 22 of the Rules, as amended; (ii) the SS-2 and (iii) MCA Circulars, **the Company has provided Remote e-voting facility only, to its Members to enable them to cast their votes electronically instead of submitting Postal Ballot forms physically.**

In compliance with the requirements of the MCA Circulars, the Postal Ballot Notice and the pre-paid business envelope is not required to be sent to the shareholders for this Postal Ballot. **However, to facilitate better wider dissemination, the Company has also sent the Postal Ballot Notice to all the members by registered post for their information regarding the resolution proposed to be passed.** The Postal Ballot Notice is being sent by electronic mode to those shareholder(s) who have registered their email addresses with the Company/ Registrar and Share Transfer Agent (“RTA”) or Depository/ Depository Participants. Further, the Postal Ballot Notice is also being sent to members to their correspondence address registered with the Company/ RTA/ Depositories.

In compliance with the provisions of Sections 108 and 110 of the Companies Act read with the rules framed thereunder and the MCA Circulars, the Company has extended only the remote e-voting facility for its members, to enable them to cast their votes electronically instead of submitting the postal ballot form. The instructions for remote e-voting are appended to the Notice. Assent or dissent of the members on the resolution mentioned in the Notice would only be taken through the remote e-voting system as per the MCA Circulars. Members are requested to follow the procedure as stated under the instructions for casting of votes by remote e-voting which is enclosed. **The shareholders are required to communicate their assent or dissent through the remote e-voting system only.**

The Company has engaged the services of **Central Depository Services (India) Limited** ("CDSL") as its agency for providing e-voting facility to its members. Only members holding shares as on **Monday, 14th July, 2025** (the "Cut Off Date") are entitled to vote under the e-voting facility offered by the Company, and any other recipient of the Notice who has no voting rights as on cut -off date should treat the Notice for information purpose only. The e-voting commences at **09.00 AM on Monday, 21st July, 2025** and concludes at **05.00 PM on Tuesday, 19th August, 2025** (both days inclusive). Once the vote is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

Pursuant to Rule 22(5) of the Rules, the Company has appointed **Ms. Srinidhi Sridharan** of Srinidhi Sridharan & Associates, Company Secretaries (Membership No FCS - 12510 /COP - 17990), as the scrutinizer (the "**Scrutinizer**") for conducting the Postal Ballot (conducted through remote e-voting), in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting through postal Ballot unblock the votes cast through e-voting and after completion of scrutiny of votes, the Scrutiniser will submit his report to the Chairman of the Company or any person authorised by him. The results of the voting conducted through Postal Ballot along with the Scrutiniser Report will be announced within two working days of the conclusion of e-voting. The results of the Postal Ballot will be displayed on the Company's website, i.e. www.thambbimodern.com and the website of CDSL, i.e. www.evotingindia.com. The resolutions, if approved by the requisite majority, shall be deemed to be passed on **Tuesday, 19th August, 2025** i.e., the last date specified for receipt of votes through the remote e-voting process.

SPECIAL BUSINESS:

1. Reduction of Share Capital of the Company:

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

RESOLVED THAT pursuant to Section 66 of the Companies Act, 2013 and the rules and regulations framed thereunder and subject to the requisite sanction and approval from the Chennai Bench of the Hon'ble National Company Law Tribunal ("NCLT"), as the case may be, and such other appropriate authorities and third parties, as may be required, and on such terms, conditions or modifications, if any, as may be prescribed by any one or more or all of them while granting such approvals, sanctions, consents or permissions and agreed by the Board of Directors of the Company (the "Board"), that consent of the members of the Company be and is hereby accorded, to reduce the Company's issued, subscribed and paid-up equity share capital from Rs. 11,52,55,400 (Rupees Eleven Crores Fifty-two Lakhs Fifty-five thousand and four hundred only) comprising 1,15,25,540 fully paid-up equity shares of Rs. 10 (Rupees Ten Only) each to Rs. 10,47,70,040 (Rupees Ten Crores Forty Seven Lakhs Seventy Thousand and Forty) comprising of 1,04,77,004 fully paid up equity shares of INR 10 (Rupees Ten Only), each and that such reduction be effected by paying off, cancelling and extinguishing 9.10% of the total issued, subscribed and paid-up equity share capital of the Company (the "Capital Reduction"), comprising 10,48,536 (Ten Lakhs Forty Eight Thousand Five hundred and Thirty Six) issued, subscribed and paid-up equity shares of INR 10/- (Rupees Ten only) each as held by **all the Public/Non-Promoter Shareholders** of the Company ("the Public Shareholders") **except the Promoters of the Company** as mentioned in the explanatory statement.

RESOLVED FURTHER THAT subject to the confirmation of the Capital Reduction by the NCLT and such Capital Reduction becoming effective and operative and/or the receipt of such other approvals or confirmations as may be required, the Public Shareholders of the Company, as aforesaid shall be paid for the equity shares held by them and which are cancelled and extinguished, a sum of Rs. 24/- (Rupees Twenty-Four only) per equity share ("Consideration") being the fair value of the equity shares of the Company as determined based on the Valuation Report of Mr. M Rajapandian (IBBI/RV/05/2019/10983) and as recommended by the Audit Committee.

RESOLVED FURTHER THAT subject to the confirmation of the Capital Reduction by the NCLT and such Capital Reduction becoming effective and operative, without any further act or deed by the Public Shareholders or their nominees, the Identified Shares shall stand cancelled, extinguished and rendered invalid and as a result thereof, the issued, subscribed and paid-up share capital of the Company shall also stand reduced to the extent of the face value of the equity shares so extinguished, effective on the date of such Capital Reduction becoming effective and operative to Rs. 10,47,70,040 (Rupees Ten Crores Forty-Seven Lakhs Seventy Thousand and Forty) comprising of 1,04,77,004 fully paid-up equity shares of INR 10 (Rupees Ten Only) each.

RESOLVED FURTHER THAT the payment of Consideration to the Public Shareholders shall be made within such number of days as shall be decided by the Board and subject to such approvals, if any, as may be required under the applicable law or as may be directed by the Hon'ble Tribunal and such payments will be made by cheque, demand draft, pay order, warrant or any other electronic mode/ banking channels net off taxes as per applicable tax law.

RESOLVED FURTHER THAT the Board of Directors (which term shall include any Director of the Company to be delegated in this regard), the Chief Financial Officer, and the Company Secretary of the Company, be and are hereby severally authorised to take all necessary steps and do all such acts, deeds, matters and things, as it may, in its/his/her absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its members in connection with and relating to the Capital Reduction, including any directions for settling any question or doubt or difficulty whatsoever that may arise for the purpose of giving effect to the Capital Reduction, or to any modification thereof, and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, including but not limited to:

- i. Finalize and settle the draft application/ petition, and assent to such alterations, conditions and modifications, if any, in the application, petition or effect any other modification or amendment as the Board may consider necessary or desirable to give effect to the Capital Reduction;
- ii. Making such alterations and changes in the application/ petition to be made to the Tribunal, as may be expedient or necessary or satisfying the conditions/ requirement imposed by Tribunal and/or any other statutory/ regulatory authorities, as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said application/ petition;
- iii. To engage any counsel, consultant firms, advocates, attorneys, pleaders, solicitors, valuers, merchant bankers, auditors, accountants, registrars or any other one or more agencies, as may be required in relation to or in connection with the Capital Reduction, on such terms and conditions as they may deem fit, finalise their fees, terms and conditions of their appointment, issue appointment letter(s), furnish such information as may be required by them and also to sign, execute and deliver all documents, letters, advertisements, announcements, disclosures, affidavits, undertakings and other related documents in favour of the concerned authorities, advocates or any one or more persons or firms as they may deem fit and to do all such acts, deeds and things as they may deem fit and as may be necessary in this regard;
- iv. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all manner of documents, petitions, affidavits and applications under the applicable laws including Act, National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable laws/ regulations in relation to the aforesaid matter and to represent the Company in all correspondences, matters and proceedings of any nature whatsoever in relation to the above;

- v. Obtaining the requisite approval and/or consents of the equity shareholders, secured/ unsecured lenders, creditors, banks, financial institutions (as applicable) and other regulatory authorities or entities or agencies as may be required and for that purpose, to initiate all necessary actions and to take other consequential steps as may be required from time to time in that behalf;
- vi. To open a Escrow account in the name of Company with any bank as may be decided, for the purpose of discharging the Consideration to the Public Shareholders in lieu of the cancellation and extinguishment of the equity shares of the Company held by such Public Shareholders pursuant to the Capital Reduction, in accordance with applicable laws, by payment through cheque, pay order / warrant or demand draft, electronic transfer of funds NEFT / RTGS / IMPS, net off withholding taxes as per applicable tax law, and file necessary forms, documents, applications, etc, if any, as required under FEMA for discharge of Consideration;
- vii. To pass such accounting entries and/or making such other adjustments in the books of accounts, as are considered necessary to give effect to the above resolution;
- viii. To cancel and extinguish the share certificates and to send/ execute necessary instructions to the Depository Participant in case of dematerialized shares, upon effectiveness of the Capital Reduction;
- ix. To file requisite forms with the jurisdictional Registrar of Companies in connection with the Capital Reduction;
- x. Authorise the officers of the Company and/or any other persons to discuss, negotiate, finalise, execute, sign, submit and file all required documents, agreements, forms, returns, applications, letters, etc. including any modifications thereto, whether or not under the common seal of the Company, as may be required from time to time, and to do all such acts, deeds, matters and things as they may deem necessary and expedient at their absolute discretion in the above matters without any further approval of the Board; and
- xi. Any other matter not specifically covered above but may be related to this Capital Reduction.

On behalf of the Board of Directors

R Jagadeesan
Managing Director and Chairman
(DIN: 01153985)

Date: 08th July, 2025

Place: Salem

INSTRUCTIONS FOR E-VOTING:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period commences at **09.00 AM** on **Monday, 21st July, 2025** and concludes at **05.00 PM** on **Tuesday, 19th August, 2025** . During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Monday, 14th July, 2025** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 4) For OTP based login you can click on https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.
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- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for **THAMBI MODERN SPINNING MILLS LIMITED** on which you choose to vote.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cssrinidhi.sridharan@gmail.com and tmsml@ymail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to tmsml@ymail.com
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 21 09911.

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

Background and Rationale for Reduction of Capital:

The equity shares of the Company were previously listed on BSE Limited, a recognised stock exchange. Pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("Delisting Regulations"), the Company opted for a voluntary delisting of its equity shares, which became effective from 27th February, 2024.

As part of the delisting process, the Promoter Acquirer, Mr. R. Jagadeesan, acquired the equity shares tendered by public shareholders under the Delisting Open Offer. In accordance with Regulations 26 and 27 of the Delisting Regulations, the remaining public shareholders, whose shares were not tendered during the bidding period, were entitled to tender their shares during a one-year exit window from the date of delisting. To facilitate this, the Promoter Acquirer deposited an amount of Rs. 5,76,99,000 account as required under the Delisting Regulations and also published advertisements on a quarterly basis inviting such shareholders to avail the exit opportunity.

Despite depositing the requisite funds for acquiring shares from Non-Promoters / Public Shareholders, the Company continues to have 3968 public shareholders, representing only 9.10% of the paid-up share capital even after the expiry of one year from 27th February 2024. The details shareholding pattern of the Public Shareholders are as follows.

Details of Public Shareholding (As on the cut-off date 14 th July, 2025)			
No. of Shares (Range)	Number of Public Shareholders	Number of Shares	Percentage of Paid-up Capital (%)
1-100	3332	298567	2.60
101-500	453	133472	1.15
501-1,000	98	73303	0.64
1,001-10,000	73	175905	1.52
10,000 and above	12	367289	3.19
Total	3968	1048536	9.10

Maintaining a large base of small and inactive shareholders imposes a significant administrative and compliance burden on the Company. In this regard in order to provide liquidity to the Public Shareholders of the company, The Board of Directors at its meeting held on 08th July, 2025, considered and approved the Capital Reduction of the Company on a selective reduction basis as per the terms set out herein. Pursuant to Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the proposed Reduction of Capital is subject to approval of the members through a special resolution and approval of the Hon'ble National Company Law Tribunal, Chennai Bench (NCLT) and such other regulatory authorities, as may be required, to give effect to the Capital Reduction. On the Capital Reduction on becoming effective and operative, the paid-up share capital shall be reduced to Rs. 10,47,70,040 (Rupees Ten Crores Forty-Seven Lakhs Seventy Thousand and Forty) comprising of 1,04,77,004 fully paid-up equity shares of INR 10 (Rupees Ten Only) held by the Promoters of the Company mentioned below:

Details of Promoters Shareholding		
Name of Promoters	No. of Shares held	Percentage
Mr. R Jagadeesan	89,41,704	77.58
Mrs. Malathi Jagadeesan	10,68,530	9.27
Ms. J Rajalakshmi	2,56,820	2.23
Mr. J Ramkumar	2,09,950	1.82
Total	1,04,77,004	90.90

Method of Reduction of Capital:

In view of the above, the Board of Directors proposes to undertake a reduction of share capital by paying off and extinguishing the equity shares held by the remaining public shareholders. This would serve as a final exit opportunity for such shareholders to realise the value of their investments.

The Capital Reduction is proposed by making necessary applications/petitions to the NCLT. The Capital Reduction of the Company will be subject to the approval of the NCLT and other authorities, as the case may be. As per the provisions of the Act, the Capital Reduction will be effective on the date of filing with the Registrar of Companies, Coimbatore, the final order of the NCLT confirming the Capital Reduction.

Consideration

The payout to the public shareholders pursuant to the reduction of capital has been determined at Rs. 24/- per equity share (the "Exit Price"). This price has been arrived at on the basis of a valuation report obtained from Mr. M Rajapandian (IBBI/RV/05/2019/10983), in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Payment of Consideration

The Company shall, upon the receipt of approval of the NCLT, deposit the whole of the Consideration in a special bank account, opened for this Capital Reduction.

In this regard, all Public Shareholders are requested to provide to the Company / Registrar and Transfer Agent, their bank account details (including IFSC code) along with their addresses and self-attested proofs thereof, failing which the monies will be paid by the Company to the last known address/bank details of the Public Shareholders, as available with the Company. In case the consideration payable to the Public Shareholders, on Capital Reduction becoming effective and operative, remains unpaid or unclaimed for any reason, the Company may retain such consideration in a separate bank account on behalf of such Public Shareholder/s, subject to applicable statutory enactment(s), and release the same on completion of necessary formalities by such Public Shareholders.

The Board of Directors of the Company, recommends the Special Resolution as set out to the Members for their consideration and approval. None of the Directors, Key Managerial Personnel of the Company or their relatives or any other officials of the Company are concerned with or interested in the resolution, save and except to the extent of their respective shareholdings, if any, in the Company.

On behalf of the Board of Directors

R Jagadeesan
Managing Director and Chairman
(DIN: 01153985)

Date: 08th July, 2025

Place: Salem