



20th August, 2025

The Chairman and Managing Director
Thambbi Modern Spinning Mills Limited,
Omalur Road, Jagir Ammapalayam,
Salem - 636302

Dear Sir,

Sub: Passing of Resolution through Postal Ballot

Pursuant to the resolution passed by the Board of Directors of Thambbi Modern Spinning Mills Limited on 8th July, 2025, we have been appointed as Scrutinizer for the purpose of scrutinizing the postal ballot process conducted through remote e-voting in respect of the following resolution:

Reference to the Companies Act, 2013	Type and Description of the resolution
Section 66 of the Companies Act, 2013 and the rules and regulations framed thereunder	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;



	<ul style="list-style-type: none"> 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.
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WE REPORT that in accordance with the provisions of the Act and Ministry of Corporate Affairs, Government of India's General Circular No. 09/2023 dated 25th September, 2023 and General Circular No. 09/2024 dated 19th September, 2024 ("MCA Circulars"), the Company has sent Postal Ballot Notice dated 8th July, 2025 on 19th July, 2025 through electronic mode only to those Members whose e-mail addresses are registered with the Company (in respect of the shares held in physical form) and with their Depositories (in respect of the shares held in Demat Form) and whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Monday, 14th July, 2025 ("Cut-off date"). As mentioned in the Notice of Postal Ballot, 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.

WE REPORT that the management of the Company is responsible to ensure compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder including MCA Circulars as mentioned above relating to Postal Ballot through remote e-voting on the resolution contained in the Postal Ballot Notice. Our responsibility as a scrutinizer for Postal Ballot through remote e-voting only is restricted to presenting a Scrutinizer's report on the votes cast "in favour" or "against" the resolution stated above, based on the reports generated from the E-voting system provided by **Central Depository Services (India) Limited ("CDSL")**, the authorized agency engaged by the Company.

WE REPORT that as stated in the notice sent to the members, the Company had fixed Tuesday, August 19, 2025 as the last date for remote e-voting. As required under Rule 22 of the Companies (Management and Administration) Rules, 2014 an advertisement was published by the Company in "**BUSINESS STANDARD**" in 'English' on July 21, 2025 and "**MAKKAL KURAL**" in vernacular language 'Tamil' on July 20, 2025 informing about the dispatch of the Postal Ballot Notice and other related matters mentioned therein. We have received remote e-voting from the members during the period **July 21, 2025 (9:00 a.m. IST) to August 19, 2025 (5:00 p.m. IST)**.

All the votes received up to the closure of working hours (**5:00 p.m. IST**) on **Tuesday, August 19, 2025**, the last date fixed by the Company for receipt of remote e-voting, were considered for our scrutiny.

WE REPORT that all the votes were scrutinized and processed and a computer statement containing the Shareholders Name, Address, Folio/Client ID Number, number of Shares held, Number of Votes Cast, Assented, Dissented and Rejected were generated.

We REPORT that out of **3973** Shareholders, we have received valid remote e-voting from **48** Shareholders and the details of polling results are given below:

Receipt of Postal Ballot remote e-voting	July 21, 2025 (9:00 a.m. IST) to August 19, 2025 (5:00 p.m. IST)		
Total No. of Shareholders	3973		
Total No. of Shares	11525540		
Particulars	As per Postal Ballot	As per remote e-voting	Total
Postal Ballot Forms Received	-	48	48
Less: Invalid Forms	-	0	0
Net Valid Forms	-	48	48



ITEM NO. 1- REDUCTION OF SHARE CAPITAL OF THE COMPANY

SPECIAL RESOLUTION

(i) Votes in **favour** of the resolution:

Number of members voted in remote e-voting	Number of votes cast (Shares) – remote e-voting	% of total number of valid votes cast
38	10485138	97.92

(ii) Votes **against** the resolution:

Number of members voted in remote e-voting	Number of votes cast (Shares) – remote e-voting	% of total number of valid votes cast
10	222510	2.08

(iii) **Invalid** Votes:

Number of members voted in remote e-voting	Number of votes cast (Shares) remote e-voting
NIL	NIL

RESULT:

As the number of votes cast in favour of the resolution was more than three times the number of votes cast against, we report that the Special Resolution with regard to Item No. 1 as set out in the Notice of Postal Ballot is passed in favour of the resolution with requisite majority.

WE FURTHER REPORT that as per the notice of Postal Ballot dated 8th July, 2025. The results of the remote e-voting will be announced by the Chairman or any person authorised by him within two working days at the registered office of the Company and will also be displayed on the Company's website www.thambbimodern.com and also on the website of CDSL at www.evotingindia.com .

WE FURTHER REPORT that as per Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has complied with all the provisions of the Rules. We further report that as per the said Rules, the records maintained by us such as the computer register (to record the consent or otherwise received from the shareholders, which includes all the particulars of the shareholders such as the name, address, folio number, number of shares held, number of shares voted and number of shares assented, number of shares dissented, number of shares abstained, number of shares rejected), are in our safe custody which will be handed over to the Company Secretary after the Chairman considers, approves and signs the minutes of the Postal Ballot.



We thank you for the opportunity given to us to act as Scrutinizer for the above Postal Ballot remote e-voting

Thanking You

Yours faithfully,

**For SRINIDHI SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES**

**CS SRINIDHI SRIDHARAN
FCS No. 12510
C P No. 17990
PR No. 6279/2024
UDIN: F012510G001039602**

