



# BANNARI AMMAN SPINNING MILLS LIMITED

Regd. Office: 252, Mettupalayam Road, Coimbatore - 641 043, Tamilnadu INDIA

Telephone : 0422 - 2435555 E-mail : shares@bannarimills.com

Website : www.bannarimills.com CIN : L17111TZ1989PLC002476 GSTRN : 33AAACB8513A1ZE

BASML/SEC/1302/SE'S/2023-24

9.2.2024

The Manager  
Listing Department  
National Stock Exchange of India Limited  
"Exchange Plaza"  
Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051

BSE Limited  
Floor25  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

Dear Sir,

Sub: **Notice of Postal Ballot under Section 110 of the Companies Act, 2013**

Ref: **Scrip Code: NSE – BASML; BSE - 532674**

Pursuant to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith copy of Notice of Postal Ballot dated February 7, 2024 along with Explanatory Statement.

Further, we hereby certify and confirm that our Registrar and Share Transfer Agent, M/s Link Intime India Private Limited have sent the aforesaid Notice of Postal Ballot through e-mail on Feb 09, 2024, to shareholders of the Company.

Kindly take on record the above information.

Thanking you,

Yours faithfully,

For **BANNARI AMMAN SPINNING MILLS LIMITED**

**N KRISHNARAJ**  
**COMPANY SECRETARY**



**BANNARI AMMAN SPINNING MILLS LIMITED**  
Regd. Office. 252, Mettupalayam Road, Coimbatore - 641043  
Phone: 0422- 2435555,  
Website: [www.bannarimills.com](http://www.bannarimills.com), e-mail: [shares@bannarimills.com](mailto:shares@bannarimills.com)  
CIN: L17111TZ1989PLC002476

**NOTICE OF POSTAL BALLOT**

**[Pursuant to Section 110 of the Companies Act, 2013 ("Act") read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014]**

**Dear Members,**

Notice is hereby given that pursuant to, the provisions of Section 110 and all other applicable provisions, if any, of the Companies Act ("the Act"), read together with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("Rules"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021, 3/2022 dated May 05, 2022 and 11/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, and any other applicable law, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the resolutions set out below are proposed to be passed by the Members of Bannari Amman Spinning Mills Limited (the "Company") by means of Postal Ballot, only by way of remote e-voting ("e-voting") process.

The proposed resolutions and the Explanatory Statement pursuant to Section 102(1) of the Act and any other applicable provisions of the Act, read with Rules framed thereunder; setting out the material facts and reasons thereof concerning the resolutions mentioned in this Postal Ballot Notice ("Notice"), are annexed hereto.

In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolution is restricted only to e-voting i.e. by casting votes electronically instead of submitting postal ballot forms. The instructions for e-voting are appended to this Notice.

Pursuant to Rule 22(5) of the Rules, the Board of Directors of the Company have appointed CS R Dhanasekaran, Practicing Company Secretary (Membership Number FCS: 7070; COP: 7745) as the Scrutinizer for conducting the postal ballot (e-voting process) in a fair and transparent manner.

Members are requested to carefully read the instructions provided in this Notice and record their assent ("FOR") or dissent ("AGAINST") on the proposed resolution through the e-voting process not later than 5:00 p.m. (IST) on Sunday, March 10, 2024 failing which it will be considered that no reply has been received from the Member.

The Company has engaged the services of M/s. Link Intime India Private Limited for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching postal ballot forms. In accordance with the MCA Circulars, the Company has made necessary arrangements with M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent ("RTA") to enable the Members to register their e-mail address. Those Members who have not yet registered their e-mail address are requested to register the same by following the procedure set out in this Notice. The postal ballot results will be submitted within 2 (Two) working days from conclusion of the e-voting period to the stock exchanges in accordance with the SEBI Listing Regulations.

The Scrutinizer will submit the results of the e-voting to the Chairman of the Company or any other authorized officer(s) of the Company after completion of the scrutiny of the e-voting.

The results of the Postal Ballot along with the Scrutinizer's Report will also be displayed on the website of the Company at [www.bannarimills.com](http://www.bannarimills.com), on the website of the M/s. Link Intime India Private Limited <https://instavote.linkintime.co.in> and shall also be displayed at the Registered Office of the Company while simultaneously being communicated to National Stock Exchange of India Limited and BSE Limited where the equity shares of the Company are listed.

The proposed resolutions, if approved, will be taken as having duly passed on the last date specified for e-voting by the requisite majority of Members by means of Postal Ballot, i.e. Sunday, March 10, 2024.

## AGENDA

### SPECIAL BUSINESS

1. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

#### **INCREASE OF AUTHORISED SHARE CAPITAL AND ALTERATION IN THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

**RESOLVED** that pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), including any amendment thereto or re-enactment thereof and the rules framed there under, the Approval of the Members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from existing Rs. 50,00,00,000/- (Rupees Fifty Crore only), divided into 10,00,00,000 (Ten crore) Equity Shares of Rs.5/- (Rupee Five only) each to Rs.75,00,00,000 (Rupees Seventy Five Crore only) divided into 15,00,00,000 (Fifteen crore) Equity Shares of Rs.5/- (Rupee Five only) each.

**RESOLVED FURTHER** that the Memorandum of Association of the Company be altered in the following manner: i.e., existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new clause as Clause V:

V.The authorized share capital of the Company is Rs.75,00,00,000 (Rupees Seventy Five Crore Only) divided into 15,00,00,000 (Fifteen crores) Equity Shares of Rs.5/- (Rupee Five only) each.

**RESOLVED FURTHER** that the Board of Directors of the Company ("the Board") be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution.

2. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

#### **ALTERATION IN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION**

**RESOLVED THAT** pursuant to the provisions of Section 4, 13 and all other applicable provisions of the Companies Act, 2013 ('the Act') and Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to such amendments, modifications, terms and conditions as may be suggested or required by such appropriate authority(ies), which the Board of Directors is authorised to accept, as it may deem fit, the approval of the members be and is hereby accorded to the Company to amend the Memorandum of Association of the Company by inserting Clause III (C) 41 in the other Objects of the Company as follows:-

41. To Construct, establish and manage Hospitals of any kind, multi speciality or single specialty, Clinical Laboratories, Diagnosis centers and allied institutions for providing most advanced specialist medical and surgical treatment especially in, but not limited to, Maternal healthcare, Child delivery Neonatal science, Pregnancy, Parental and Gynecological needs including Mother and Child care needs, establish Training Centres, Colleges, Universities, Educational, Research Institution(s) for this purpose

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any / or all questions / matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further incidental and ancillary steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company and its shareholders."

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

#### **APPROVAL FOR DISINVESTMENT IN THE EQUITY SHARES OF MATERIAL SUBSIDIARY VIZ., YOUNG BRAND APPAREL PRIVATE LIMITED:**

**RESOLVED THAT** pursuant to, the provisions of section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, and the relevant rules made thereunder, Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications, amendments or re-enactments of any of them for the time being in force), the Memorandum and Articles of Association of the company, and subject to other requisite approvals to the extant necessary as may be required, the consent of

the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as Board) to sell/ transfer or otherwise dispose-off in one or more tranches, the entire investments i.e. 3,34,49,112 equity shares of Rs. 10/- each of equity share holdings in Young Brand Apparel Private Limited, a subsidiary and Joint Venture company, for an aggregate consideration of Rs.95 Crores (Rupees Ninety-Five Crores only) to one or more purchaser(s) with whom the Board may finalise the terms and conditions including the purchase consideration and enter into agreement(s) on behalf of the company.

**RESOLVED FURTHER THAT** for the purpose of implementation of this resolution, the Board be and is hereby authorised to do all such acts, deeds, matter and things, including but not limited to deciding the time, mode, manner, extent of tranches, if required and other terms and conditions of the disinvestment of equity shares/ sale of the shares as aforesaid, negotiating and finalising the terms of sale/ offer for sale as may be necessary, desirable and expedient to be agreed, and to all such other incidental and necessary steps for and on behalf of the company and to settle all questions or queries that may arise in the course of implementing this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred by this resolution herein to any committee of directors or any director(s) or officer(s) of the Company, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may consider necessary, desirable or expedient and deem fit and proper for the purposes of the Issue and settle any questions or difficulties that may arise in this regard to the Issue.

By order of the Board  
For **BANNARI AMMAN SPINNING MILLS LIMITED**

  
**N. KRISHNARAJ**  
**COMPANY SECRETARY**

Date: 7.2.2024

Place: Coimbatore

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 read with Section 110 and other applicable provisions, if any of the Act read with the rules framed thereunder concerning the special businesses in respect of item no. 1 to 3 as set out above is annexed hereto and forms part of this Notice.
2. In terms of Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014, the business set out in the notice above is sought to be passed by postal ballot.
3. The Postal Ballot Notice is being sent only by email to those members who have registered their email address with their Depository Participant(s) ("DPs") or with RTA and whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on Wednesday 7, February, 2024 ("Cut-off date") in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA Circulars. In accordance with the aforesaid MCA Circulars, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope will not be sent to the members for this Postal Ballot. The communication of the assent or dissent of the members would take place through the process of remote e-voting only.
4. In terms of Sections 108, 110 and other applicable provisions of the Companies Act, 2013, as amended, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and in compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") as amended from time to time, the Company is pleased to offer remote e-voting facility to all the members of the Company. The Company has appointed Link Intime India Private Limited for facilitating e-voting to enable the members to cast their votes electronically (hereinafter referred to as the "Remote e-voting").

5. The Instructions and other information relating to e-voting are as under:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**Login method for Individual shareholders holding securities in demat mode is given below:**

1. Individual Shareholders holding securities in demat mode with NSDL
  1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsd.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
  2. If you are 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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
  1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
  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 the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are 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, the option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
  4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://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, the 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.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants 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 the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -
  - A. User ID:**  
Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
  - D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.  
 \*Shareholders holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above  
 \*Shareholders holding shares in **NSDL form**, shall provide ‘D’ above
    - ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
    - ▶ Click “confirm” (Your password is now generated).
3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
4. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

**Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’

o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password*

*should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

6. The e-voting period commences on Saturday, February 10, 2024 at 10.00 A.M. and ends on Sunday, March 10, 2024 at 5:00 P.M. The remote e-voting module shall be disabled for voting thereafter. During this period, the members of the Company holding shares, as on the cut-off date, being Wednesday, February 7, 2024 may cast their vote by electronic means in the manner and process set out hereinabove. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

7. The voting rights of the members shall be in proportion to their shares in the total paid-up equity share capital of the Company, as on Wednesday February 7, 2024.

8. The Scrutinizer will submit the results to the Chairman or any authorised person of the Company after completion of the scrutiny of the e-voting, and the results of the voting by Postal Ballot will be announced on or before Monday, March 12, 2024 at the Registered Office of the Company at 252, Mettupalayam Road, Coimbatore – 641043.

9. The result of the Postal Ballot along with the Scrutinizer's Report will also be displayed on the Company's website [www.bannarimills.com](http://www.bannarimills.com) and also on the website of Link Intime <https://instavote.linkintime.co.in> and shall be communicated to the Stock Exchanges where the Company's shares are listed. The result of the Postal Ballot will also be displayed at the Registered Office of the Company.

10. Resolution passed by the Members through postal ballot is deemed to have been passed as if the same has been passed at a General Meeting of the Members.

Contact Details:

**Company: Bannari Amman Spinning Mills Limited,**

Reg off: 252, Mettupalayam Road, Coimbatore – 641043.

CIN: L17111TZ1989PLC002476

E-mail IDs: shares@bannarimills.com

**Registrar and Transfer Agent:**

**M/s. Link Intime India Private Limited**

Surya 35, May flower Avenue

Behind Senthil Nagar

Sowripalayam Road

Coimbatore 641028

Tel No: (0422) 2314792, 2315792

e-Voting Agency: Link Intime India Private Limited

**Scrutinizer:**

R Dhanasekaran

Practising Company Secretary

E-mail ID: sharpcs1@gmail.com

Encl.: As Above

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

As required by Section 102 of the Companies Act, 2013 (the "Act"), Secretarial Standard on General Meetings (SS-2) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item No. 1 to 3 of the accompanying Notice dated 7<sup>th</sup> February, 2024

#### Item No.1

The present Authorised Share Capital of the Company is Rs.50,00,00,000 (Rupees Fifty Crore only) comprising of 10,00,00,000 (Ten crore only) Equity Shares of Rs.5/- each.

Considering the increased long term fund requirements of the Company for the operation in future, the company may have to issue fresh shares to raise funds, for this purpose the Board at its Meeting held on 4.12.2023, approved increase in the Authorised Share Capital of the Company from Rs.50,00,00,000/- (Rupees Fifty Crore Only) to Rs. 75,00,00,000/- (Rupees Seventy Five Crore Only) by creation of 15,00,00,000 (Fifteen Crore) equity shares of Rs 5/- each, subject to shareholders approval.

The proposed additional 15,00,00,000 equity share of Rs 5/- each shall rank pari-passu with the existing Equity Shares in all respects and shall be subject to the provisions of the Memorandum and Articles of Association of the Company. Consequently, Clause V of the Memorandum of Association would also require alteration so as to reflect the increased Authorised Share Capital of the Company.

The proposal for increase in Authorised Share Capital and amendment of Memorandum of Association of the Company requires approval of members.

A copy of the Memorandum of Association of the Company duly amended will be available for inspection at the registered office of the Company.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, is in any way concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as an Ordinary Resolution

#### Item:2

The Company intends to expand its present scope of business and is proposing to enter into Healthcare activities. Since the activity of "Healthcare" to be included in the Other Objects of the Memorandum of Association ("MOA"), Memorandum of Association of the Company is required to be altered. The Board of Directors of the Company in their meeting held on 4.12.2023 has approved the alteration of Objects Clause of MOA, subject to approval of the members of the Company by way of Special Resolution.

By insertion of new object clause in the MOA, the company will be in position to carry out new line of business activity mainly activities relating to Healthcare. Further, the directors of the company, while proposing this line of business, are of the view that it would be beneficial and in the interest of the company and its stakeholders to carry this activity. This will also result in increase in revenue and profit of the company.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolutions set forth in this Notice except to the extent of their shareholdings in the Company, if any.

#### Item No. 3

Bannari Amman Spinning Mills Limited is an integrated Textile Company having Spinning, Knitting, Knit Processing, Weaving/Home Textiles and Garments under its fold, apart from subsidiary and Joint Venture Company viz., Young Brand Apparel Private Limited, which manufactures under Garments for Women and Children for exports.

For improving the financial health of the company, it is essential to reduce the debt of the company, improve return on capital and tighten administrative controls. In this regard, it would be in the interest of the company to encash realizable investments and underutilized assets. The return on investment in subsidiary company has been very marginal and it would be advantageous to the company to sell the shares of the subsidiary company and utilize the sale proceeds for reducing the debt. These steps would enable the company to achieve financial stability and growth.



Accordingly, it is proposed to Divest company's stake (3,34,49,112 Equity Shares of Rs.10/- each – Value of investment Rs.26.06 Crores) held in Subsidiary Company M/s Young Brand Apparel Private Limited and the matters is placed before the members for their consideration and approval. The proposals are subject to necessary Procedural, Statutory, Regulatory and other Compliances/approvals.

The proposal is subject to, inter alia, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India, the BSE and National Stock Exchange ("Stock Exchanges"), Reserve Bank of India, Ministry of Corporate Affairs, Government of India, Registrar of Companies to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time, as may be required in this regard domestically.

In terms of Section 102(1) of the Companies Act, 2013, none of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board has approved the proposal pursuant to its resolution dated 4.12.2023. The Board recommend the aforesaid resolution for the approval by the members as a special resolution.

By order of the Board  
For **BANNARI AMMAN SPINNING MILLS LIMITED**

  
**N KRISHNARAJ**  
**COMPANY SECRETARY**

Date: 7.2.2024  
Place: Coimbatore