



SURYALATA SPINNING MILLS LIMITED

CIN: L18100TG1983PLC003962

Registered Office: Surya Towers, 1st Floor, 105, Sardar Patel Road, Secunderabad - 500 003.
Tel: 040 - 27774200 Fax: 040 - 27846859 Email: cs@suryalata.com Website: www.suryalata.com

NOTICE OF POSTAL BALLOT

To
The Members,
Suryalata Spinning Mills Limited.

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014

Notice is hereby given pursuant to Section 110 and all other applicable provisions, if any, of the Companies Act, 2013 (The "Act") read with Companies (Management & Administration) Rules, 2014, (including any statutory modification (s) or re-enactment(s) thereof for time being in force) that, the resolution appended below is proposed as a Special Resolution by way of postal ballot. The Explanatory Statement pursuant to Section 102 of the Act pertaining to aforesaid resolution setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form (The "Form") for your consideration.

The Board of Directors (The "Board") have appointed Mr. R. Ramakrishna Gupta, practicing Company Secretary, Partner at R & A Associates, Company Secretaries, Hyderabad (Membership No. FCS 5523) as the scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the form, record your assent (✓/for) or dissent (X/against) therein by filling necessary details and affixing your signature at the designated place in the form and return the same in original duly completed in the enclosed self addressed, postage prepaid envelope so as to reach the scrutinizer not later than the close of working hours i.e. 06.00 P.M. on 11th March, 2015.

Members desiring to opt for e-voting as per the facility arranged by the Company are requested to read the notes to the notice and instructions. References to postal ballot in this notice include votes received electronically.

Upon completion of the scrutiny of the forms, the scrutinizer will submit his report to the chairman. The result of the postal ballot will be announced by Chairman on Friday, 13th March, 2015 at the registered office of the Company. The aforesaid result would be intimated to the Bombay Stock Exchange Limited (BSE), published in news papers and will be displayed along with the scrutinizers report on the Company(s) website www.suryalata.com

Members opting for e-voting:

In Compliance with Clause 35B of the Listing Agreement entered by the Company with the Bombay Stock Exchange Limited (BSE) and pursuant to the provisions of Section 108 of the Act read with the rules made thereunder, the Company is pleased to provide e-voting facility as an alternate to all its members to enable them to cast their votes electronically, instead of physical Postal Ballot Form. E-voting is optional. Members opting for e-voting are requested to read the notes to the notice and instructions.

SPECIAL BUSINESS:

ITEM NO.1: Further issue of Equity Shares on Preferential basis:

To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42 & 62 and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder (including any statutory modification (s) or re-enactment(s) thereof for time being in force) and in accordance with the enabling provisions of Memorandum & Articles of Association of the Company and in accordance of the rules, regulations and guidelines of the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended (ICDR Regulations), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the provisions of listing agreement entered into by the Company with the Stock Exchange(s) where the securities of the Company are listed and subject to the approval (s), consent(s), permission (s) and sanction(s) of any authorities as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed if any of the appropriate authorities, institutions, as may be required and subject to such other conditions as may be prescribed by any of them while granting any such approval (s), consents (s), permission (s) and sanction (s), 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 of Directors duly constituted or to be constituted thereof to exercise its powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time upto 6,00,000 equity shares of a face value of Rs 10/- each of the Company on a preferential basis to the promoters of the Company in such proportion and on such terms and conditions as set out in the

Explanatory Statement annexed to the Notice convening this meeting at a price of Rs. 130/- per share or at a price not less than the price determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 [SEBI ICDR Regulations], whichever is higher. The Company shall issue shares through offer letter and/or Private placement memorandum and/or such other documents/ writings and such manner and on such terms and conditions as may be determined by the Board at its absolute discretion or such other higher price as may be arrived at in accordance with the SEBI ICDR Regulations (Issue price).

RESOLVED FURTHER THAT in accordance with the Provisions of SEBI ICDR regulations, the 'Relevant Date' for the purpose of calculating the price of Equity Shares to be issued in terms hereof shall be '9th February, 2015', being the date 30 days prior to the last date of Voting of Postal Ballot i.e. 11th March, 2015.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to lock-in as provided under the provisions of SEBI ICDR Regulations and the Equity Shares so offered, issued and allotted shall rank *pari passu* with the existing equity shares of the Company in all respects including payment of Dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorize to do all such acts, deeds, matters and things as it may needs absolute discretion deem necessary, desirable and expedient for such purpose including without limitations to issue and allot Equity Shares and settle any question, difficulty or doubt that may arise from time to time in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to delegate all or any of the powers herein conferred by this resolution to any director (s) or any committee of Directors, as permitted under the law, to give effect to the aforesaid resolution."

By order of the Board
For Suryalata Spinning Mills Limited
sd/-
(Vithaldas Agarwal)
Managing Director
DIN 00012774

Date : 9th February, 2015
Place : Secunderabad

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

There is a need to restructure the existing capital to maintain proper debt equity ratio and to improve Credit ratings of the Company to fetch competitive pricing of interest rates. Keeping in view of this, the company proposed to restructure the existing capital of the company by way of redemption of existing Preference Shares and to issue fresh Equity shares on preferential basis. Promoters have expressed their interest for the same.

The Board at its meeting held on 5th February, 2015 subject to the approval of the shareholders by way of postal ballot and on receipt of requisite approvals has proposed to offer upto 6,00,000 equity shares to the Promoters.

Pursuant to Section 62 of the Companies Act, 2013 further issue of equity shares may be offered by the Company to such persons in the manner whatsoever if a special resolution to that effect is passed by the Company and hence the proposed resolution. The equity shares issued in terms of this resolution shall be issued at a price not less than the price determined in terms of SEBI ICDR Regulations and the promoters have expressed their consent to subscribe at the price so determined.

The acquisition of shares or voting rights by promoters individually and collectively does not increase by more than 5 % on the post issued equity share capital of the Company pursuant to this issue.

The disclosures in accordance with the Companies Act, 2013, the SEBI ICDR Regulations and other applicable provisions of law in relation to the special resolution set out in the accompanying notice are as follows:

1. Object of the preferential issue :

The proposed issue is mainly to restructure the existing capital by redemption of preference shares and issue of fresh equity shares to maintain proper debt equity ratio and to improve Credit ratings of the Company to fetch competitive pricing of interest rates.

2. The proposal of the promoters/Key Managerial Persons to subscribe the offer :

The promoters of the Company have proposed to subscribe to all equity shares under the preferential issue subject to compliance with the SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011 as may be amended from time to time.

3. Shareholding pattern before and after the preferential issue :

S.No.	Category	Pre Issue		Post Issue after considering 6,00,000 Equity Shares	
		No. of Shares held	% of shareholding	No. of shares held	% of shareholding
A	Promoters' holding:				
1	Indian:				
	Individuals	2402310	65.51	3002310	70.36
	Bodies Corporate	0	0	0	0
	Sub Total	2402310	65.51	3002310	70.36
2	Foreign Promoters	0	0	0	0
	Sub Total (A)	2402310	65.51	3002310	70.36
B	Non-Promoters' holding:				
1	Institutional Investors	1086	0.03	1086	0.04
2	Non-Institutions:				
	Bodies Corporate	245645	6.70	245645	5.76
	Individuals	999342	27.25	999342	23.42
	Others (including NRIs)	18617	0.51	18617	0.44
	Sub Total (B)	1264690	34.49	1264690	29.64
	GRAND TOTAL (A+B)	3667000	100	4267000	100

4. Proposed time within which the preferential issue shall be completed :

The allotment of Equity shares shall be completed within a period of 15 days from the date of passing of resolution by the share holders provided where the allotment is pending on account of any approval from any regulatory authority the allotment shall be completed by the Company within a period of 15 days from the date of such approval.

5. Relevant date and pricing of the issue :

In accordance with the provisions of SEBI ICDR regulations, the 'relevant date' for the purpose of calculating the price of equity shares shall be '9th February, 2015', being the date 30 days prior to the date of the last date of Voting of Postal Ballot i.e. 11th March, 2015.

The proposed issue price is Rs. 130/- per share. The Price computed on the basis of SEBI ICDR Regulations is Rs.123.88/- per Equity Share. The shares are proposed to be issued at higher of the two i.e. Rs. 130/- per share.

6. Auditors certificate:

A copy of the certificate from the statutory Auditors of the Company M/s. Brahmayya & Co, Hyderabad certifying that the above issue of equity shares is made in accordance with the SEBI ICDR Regulations is placed on the website of the Company and is open for inspection by the Members.

7. Particulars of proposed Allottee and the identity of the natural person who are ultimate beneficial owners of Equity Shares to be allotted and/or who ultimately control the proposed Allottee. The percentage of post preferential issue capital that may be held by them:

S. No.	Subscriber to the issue	Existing holding		New Subscription	Post offer of capital	
		No of Shares	% of holding		No of Shares	% of holding
1.	Sri Vithaldas Agarwal	8,18,844	22.33%	2,40,000	10,58,844	24.81%
2.	Sri Mahender Kumar Agarwal	8,47,133	23.10%	1,60,000	10,07,133	23.60%
3.	Smt. Madhavi Agarwal	5,04,161	13.75%	1,60,000	6,64,161	15.57%
4.	M/s. M.K. Agarwal - H.U.F	1,51,042	4.12%	40,000	1,91,042	4.48%

8. Change in control, if any, in the Company that would occur consequent to the preferential offer :

There is no change in control or management consequent to subscription of preferential issue of equity shares as the shares are being subscribed by the existing promoters of the Company.

9. Lock - in:

The equity shares allotted shall be subject to lock in as per SEBI ICDR Regulations. Such locked in equity shares may however be transferable to and amongst the promoters/promoters group subject to the provisions of ICDR regulations.

The entire pre-preferential allotment share holding of the above mentioned allottee's if any shall be locked in from the relevant date upto the period of 6 months from the date of preferential allotment as per the regulation 78 (6) of SEBI ICDR Regulations.

10. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well :

During the year, no preferential allotment has been made to any other person.

11. The Company undertakes that if required the price shall be recomputed in terms of the provisions of the SEBI ICDR Regulations. Further the Company undertakes that if the amount payable upon the re-computation is not paid within the stipulated time as mentioned in the SEBI ICDR Regulations, the specified securities shall continue to be locked-in with such amount is paid by the Allottee.
12. The Board at its meeting held on 05th February, 2015 have approved the issue and allotment of Equity shares on preferential basis in the manner stated above.
13. Pursuant of the provisions of Section 62 of the Companies Act, 2013 and regulation 72(1)(a) of the SEBI ICDR Regulations, the above Preferential Issue requires approval of shareholders by way of a Special Resolution.
14. The Board of Directors recommends passing of this Special Resolution by way of postal ballot. The promoters of the company are deemed to be concerned or interested in the proposed Resolution. Except above none of the other Directors, Key managerial Personnel of the company or any Relatives of such Directors are in any way concerned or interested financially or otherwise in the proposed resolution.

NOTES:

1. The Notice is being sent to all the shareholders, whose names appear on the register of members/ List of Beneficial owners as received from Karvy Computershare Private Limited on 30th January, 2015.
2. In compliance with provisions of Section 110 of the Act read with rule 22 of Companies (Management and Administration) Rules 2014, the company is offering e-voting facility to all the shareholders of the company, Karvy Computershare Private limited will be facilitating e-voting to enable the shareholders to cast their votes electronically instead of dispatching postal ballot form wherever e-mail ID is registered. Kindly note that availing of E-voting facility is optional.
3. Kindly note that a member can opt for only one mode of voting. i.e. either through e-voting or by postal ballot. In case, a member casts votes by both modes, then voting done through e-voting shall prevail and voting done through ballot shall be treated as invalid.
4. Shareholders desiring to exercise vote by physical postal ballot are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed and signed in the enclosed self addressed business reply envelope to the scrutinizer. The postage cost will be borne by the company. However the envelopes containing the postal ballot, if sent by the courier or registered or speed post at the expense of the share holder will also be accepted.
5. The voting rights of shareholder shall be in proportion to their shares of the paid up equity share capital of the company as on 30th January, 2015. Please read carefully the instructions printed in the postal ballot form and return the form duly completed in all respects in the enclosed self addressed prepaid postage envelope so as to reach the scrutinizer before the close of working hours on or before 11th March, 2015. The e-voting module shall also be disabled by Karvy Computershare Private Limited for voting thereafter.
6. The scrutinizer shall submit the report to the chairman after completion of the scrutiny. The result of the voting by postal ballot will be declared by the chairman or the person authorized by him on 13th March, 2015 and the result of the postal ballot will be informed to the stock exchange where the shares of the company are listed and the results will be published in the newspaper on 15th March, 2015.
7. All the documents referred into the accompanying notice and explanatory statement are open for inspection between 10.00 A.M to 5.00 P.M. on all working days at the registered office of the Company situated at Surya Towers, 1st Floor, 105, Sardar patel road, Secunderabad - 500 003.

By order of the Board
For Suryalata Spinning Mills Limited
sd/-
(Vithaldas Agarwal)
Managing Director
DIN 00012774

Date : 9th February, 2015
Place : Secunderabad