

# S.Kumars Nationwide Ltd

Regd. Office: Avadh, Avadhesh Parisar, Shree Ram Mills Premises, G.K.Marg, Worli, Mumbai 400 018

## POSTAL BALLOT

To  
The Members,

### Notice pursuant to Section 192A (2) of the Companies Act, 1956.

**NOTICE IS HEREBY GIVEN** pursuant to Section 192A (2) of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 that the following Resolution relating to the sale of the Company's 'Reid & Taylor Division' comprising of the Fabrics and Ready-to-Wear Garment Business carried out under the brand 'Reid & Taylor' and factory at Thandya Industrial Area, Thandavapura – 571 301 Nanjangud Taluka, District - Mysore, State Karnataka with all Assets & Liabilities relating to the Division on 'Slump Sale basis' and on an as-is-where-is basis as 'Going Concern' to its subsidiary Company namely 'Reid & Taylor (India) Limited' is proposed to be passed by postal ballot.

- 1) Under Section 293(1) (a) of the Companies Act, 1956, the Company is required to obtain the approval of the members for the sale of aforesaid division and business relating to the above division as a 'Going Concern' through a postal ballot. Accordingly, the Company is desirous of seeking your consent to the proposal contained in the undermentioned Resolution. The Explanatory Statement pertaining to the said Resolution setting out all the material facts and reasons thereof is also annexed.
- 2) As per the provisions of Section 372A of the Companies Act, 1956, the Board of Directors of the Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of
  - i) Sixty percent of the aggregate of the paid up capital and free reserves or,
  - ii) One hundred percent of its free reserves, whichever is more,if Special Resolution is passed by the shareholders of the lending Company.

Accordingly, the Company is desirous of seeking your consent to the proposal contained in the undermentioned Resolutions. The Explanatory Statement pertaining to the said Resolutions setting out all the material facts and reasons thereof is also annexed.

As the consent of the members to the above Resolutions is required to be obtained by means of postal ballot, it is being sent to you with the Explanatory Statements for your consideration along with a postal ballot form. The Company has appointed Mr. Pramod S Shah, Practising Company Secretary, as a Scrutinizer for conducting postal ballot process in a fair and transparent manner.

You 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 postage pre - paid envelope so as to reach the Scrutinizer on or before 14<sup>th</sup> January, 2008. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the Postal Ballot Forms and the results of the Postal Ballots will be announced at the Registered Office of the Company situated at Avadh, Avadhesh Parisar, Shree Ram Mills Premises, G. K. Marg, Worli, Mumbai – 400 018 on or before 21<sup>st</sup> January, 2008.

### **1. Resolution to be passed under Section 293(1)(a) of the Companies Act, 1956 for sell of the Company's 'Reid & Taylor Division' Comprising of the fabrics and Ready -to- wear Garment Business.**

To consider, and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 192A, 293 (1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, the provisions contained in the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board” which expression shall also include a Committee of Directors constituted for this purpose) to transfer, sell or otherwise dispose off Company's 'Reid & Taylor Division' comprising of the Fabrics and Ready-to-Wear Garment Business carried out under the brand 'Reid & Taylor' and factory at Thandya Industrial Area, Thandavapura – 571 301 Nanjangud Taluka, District- Mysore, State Karnataka with all Assets & Liabilities pertaining / apportioned to the division on 'Slump Sale basis' and on an as-is-where-is basis as 'Going Concern' to its subsidiary Company namely 'Reid & Taylor (India) Limited' together with the rights, title and interest in the immovable, moveable, intangible, and current assets, for a total gross Slump Sale value of approximately Rs.350 Crore, which would be received net of book value of liabilities transferred, on such terms and conditions as may be decided by the Board, and as incidental to the transfer, sale and disposal thereof subject to requisite approvals as may be required from the lenders and Corporate Debt Restructuring cell and other authorities if any, with full power and authority to the Board to authorise the finalisation and execution of all the necessary documents, agreements, deeds of assignment/ conveyance and other documents and to do all such acts, deeds, matters and things as may be deemed necessary or expedient in their discretion to give effect to the said Resolution.”

**2. Resolution to be passed under Section 372A of the Companies Act, 1956 for making any loan, investment, guarantee or provide any security beyond the prescribed ceiling in company Brandhouse Retails Limited and subsidiary company 'Reid & Taylor (India) Limited'**

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

**“RESOLVED THAT** in furtherance to the resolutions passed earlier at the General Meetings and by way of postal ballot processes pursuant to the provisions of section 372A and other applicable provisions, if any, of the Companies Act, 1956 or any amendments or modifications thereof (including any ordinance or statutory modification, re-enactment thereof for the time being in force) and subject to consent and approvals of and permissions as may be necessary under any statute for time being in force, or any other approvals as may be required from lenders and Corporate Debt Restructuring Cell, consent and approvals of the Company be and are hereby accorded to the Board of Directors of the Company:

a) to invest/acquire from time to time by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments of one or more bodies corporate, in India, which may or may not be subsidiary(ies) of the Company as the Board may think fit, as mentioned herein below in excess of and in addition to the limits for which members' approval has been already obtained in the General Meetings and by way of postal ballot processes earlier or the limits specified in section 372A of the Companies Act, 1956, whichever is higher.

**INVESTMENT**

<b>Name of the Company</b>	<b>Rs. In Crores</b>
Reid & Taylor (India) Limited.	75.00
Brandhouse Retails Limited	25.00
<b>Total</b>	<b>100.00</b>

b) to make/ give from time to time any loan or loans to any body or bodies corporate, in India, which may or may not be subsidiary (ies) of the Company as the Board may think fit, as mentioned herein below in excess of and in addition to the limits for which members' approval has been already obtained in the General Meetings and by way of postal ballot processes earlier or the limits specified in section 372A of the Companies Act, 1956, whichever is higher.

**LOAN**

<b>Name of the Company</b>	<b>Rs. In Crores</b>
Reid & Taylor (India) Limited.	250.00
Brandhouse Retails Limited	250.00
<b>Total</b>	<b>500.00</b>

c) give from time to time any guarantee(s) and/or provide any security, in connection with any loan(s) made, by any other person(s) to, or to any other person(s) by, any body/ies corporate, in India which may or may not be subsidiary/ies of the Company as the Board may think fit, as mentioned herein below, in excess of and in addition to the limits for which members' approval has been already obtained in the General Meetings and by way of postal ballot processes held earlier or the limits specified in section 372A of the Companies Act, 1956 whichever is higher.

**GUARANTEE**

<b>Name of the Company</b>	<b>Rs. In Crores</b>
Reid & Taylor (India) Limited.	500.00
Brandhouse Retails Limited	250.00
<b>Total</b>	<b>750.00</b>

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investment or loan made or guarantees to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

**By Order of the Board  
For S. Kumars Nationwide Limited**

**Place: Mumbai**

**Date: 27<sup>th</sup> November 2007**

**Nimesh S. Shah  
Company Secretary**

**EXPLANATORY STATEMENT REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956 RELATING TO THE AFORESAID RESOLUTION.**

**Item No. 1**

S. Kumars Nationwide Limited (SKNL) currently operates in diverse segments in the textile industry viz. Luxury Textiles, Consumer Textiles, Home Textiles, and Ready-to-Wear Garments Business and now entering into High Value Fine Cotton (HVFC) Fabric Business. It is now proposed to spin-off Luxury Textiles, comprising of Fabric Business and Ready-to Wear Garments Business carried under the brand name 'Reid & Taylor' into a Subsidiary Company named as 'Reid & Taylor (India) Limited' (RTIL). SKNL is currently investing significant amounts in growth plans into High Value Fine Cotton (HVFC) Business, Home Textiles and Ready-to-Wear Garments Business which is expected to add substantial sales and profitability for the Company.

Owing to SKNL's presence in multiple segments of the industry, and to give greater focus to the core business of each of the divisions and to strengthen competencies and to facilitate more transparent benchmarking with its peers, the Company has identified Luxury Textiles Business comprising of Fabric Business and Garment Business carried out under the brand 'Reid & Taylor' as a distinct segment to be spun off to a Subsidiary Company. This would also facilitate raising of funds by the respective businesses at a later date for further growth and expansion.

In view of the above, it is proposed to sell and transfer the 'Reid & Taylor Division' comprising of the Fabrics and Garment Business under the brand 'Reid & Taylor' and factory at Thandya Industrial Area, Thandavapura – 571 301 Nanjangud Taluka, District - Mysore, State Karnataka with all Assets & Liabilities of the Division on 'Slump Sale Basis' as a going concern on an 'as is where is' basis ("Transaction"). The Gross Value of the assets (immovable, moveable and intangible and Current assets) transferred shall be approximately Rs. 350 Crores, and the consideration payable in respect of 'Reid & Taylor Division' shall be net of book value of liabilities relating to the Reid & Taylor Division transferred to Reid & Taylor (India) Ltd.

The effective date of the 'Transaction' would be 1<sup>st</sup> January, 2008.

The Transaction will be inter alia subject to the following conditions:

1. Prior approval of the Shareholders under Section 293(1) (a) and all other applicable provisions of the Companies Act, 1956.
2. The Company obtains approval from its lenders & Corporate Debt Restructuring – Empowered Group representing lenders for the Sale and Transfer as may be required.
3. The receipt by the Company of any regulatory approvals that may be necessary for the consummation of the Transaction from any Governmental authorities.
4. Transfer of existing borrowings of SKNL to the extent they relate to the business transferred to Reid & Taylor (India) Limited with the approval of the lenders.

The employees working in the Reid & Taylor Division on the effective date will be transferred alongwith accrued benefits and their services and emoluments will be protected.

Section 293(1) (a) of the Companies Act, 1956 provides inter alia that the Board of Directors of a public company shall not, without the consent of the members of the Company, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially whole of any such undertaking. The members are requested to empower the Board with the requisite authority under Section 293(1) (a) of the Companies Act, 1956 to sell and transfer the business of 'Reid & Taylor Division' to the subsidiary namely 'Reid & Taylor (India) Limited.'

**Item No. 2**

As per the provisions of Section 372A of the Companies Act, 1956 the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of -

- i) Sixty percent of the aggregate of the paid up capital and free reserves or,
  - ii) One hundred percent of its free reserves, whichever is more,
- if Special Resolution is passed by the shareholders of the lending Company.

Since the limits mentioned in the resolution are in excess of above prescribed limits, approval of the members is required.

This permission is sought pursuant to the provisions of Section 372A of the Companies Act, 1956 to give powers to the Board of Directors for making further investments, loans and guarantees as under:

(Rs. In Crores)

<b>Name of the Company</b>	<b>Investment Not Exceeding Rs.</b>	<b>Loan Not Exceeding Rs.</b>	<b>Guarantees Not Exceeding Rs.</b>
Reid & Taylor (India) Limited.	75.00	250.00	500.00
Brandhouse Retails Limited.	25.00	250.00	250.00
<b>Total</b>	<b>100.00</b>	<b>500.00</b>	<b>750.00</b>

These investments, loans and guarantees are proposed to be made out of own /surplus funds internal accruals / borrowed funds, the objective of which is optimum utilisation of surplus funds of the Company and also to achieve long term strategic and business objectives. The Investments, loans and guarantees will be made on terms and conditions most beneficial to the Company / at prevailing market rates pursuant to the provisions of Section 372A of the Companies Act, 1956.

Shri Nitin S. Kasliwal, Smt. Jyoti N. Kasliwal, Shri Dara D. Avari, Shri Anish Modi and Shri Denys Firth are deemed to be interested in the resolution to the extent of being Directors and/or shareholders of the concerned Company(ies) / body(ies) corporate.

None of the other Directors of the company are deemed to be concerned or interested in the resolution.

The Directors are satisfied that it would be in the interest of the Company and its shareholders and accordingly recommends the Resolutions for your approval by exercising your votes through a Postal Ballot.

You are requested to communicate your assent or dissent in writing in the Postal Ballot Form sent herewith in accordance with the instructions therein set out.

**By Order of the Board  
For S. Kumars Nationwide Limited**

**Place: Mumbai**

**Date: 27<sup>th</sup> November, 2007.**

**Nimesh S. Shah  
Company Secretary**

# S.Kumars Nationwide Ltd

Regd. Office: Avadh, Avadhesh Parisar, Shree Ram Mills Premises, G.K.Marg, Worli, Mumbai 400 018

## POSTAL BALLOT FORM

Sr. No. \_\_\_\_\_

1. Name(s) of Shareholder(s)  
(including Joint-holders, if any) :
  
2. Registered Address of the Sole/  
First named Shareholder(s) :
  
  
  
  
  
  
  
  
  
  
3. Registered Folio No./ DPID No./  
Client ID No.\* :  
(Applicable to investors holding shares  
in demat form)
  
  
  
  
  
  
  
  
  
  
4. Number of Shares held :
  
  
  
  
  
  
  
  
  
  
5. I/We hereby exercise my/our vote in respect of the Ordinary Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company by sending my/our assent or dissent to the said Resolution by placing tick (✓) mark at the appropriate box below.:

Description	No. of Shares	I/We assent to the Resolution	I/We dissent to the Resolution
1. Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for Sell of the Company's "Reid & Taylor Division" comprising of the fabrics and Ready -to -Wear Garment Business with factory at District Mysore, State Karnataka with all Assets & Liabilities relating to the division on 'Slump Sale basis' as a "Going Concern" to a subsidiary Company "Reid & Taylor (India) Limited"			
2. Special resolution under section 372A of the Companies Act, 1956 to authorise the Board of Directors of the Company to make any loans. Investments or give guarantee or provide any security beyond the prescribed ceiling of the Act in the Companies i.e. 1) Reid & Taylor (India) Limited. 2) Brandhouse Retails Limited.			

Place: Mumbai

Date :

\_\_\_\_\_  
Signature of the Shareholder(s)

Note: Please read the instructions printed overleaf carefully before exercising your vote.

## INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed postage prepaid envelope. However, any envelope containing Postal Ballot Form, if deposited in person or if sent by courier at the expense of the Member will also be accepted.
2. Please convey your assent/dissent in this Postal Ballot Form. The assent or dissent received in any other Form shall not be considered valid.
3. This Form should be duly completed and signed by the Member. In case of joint holding, this Form should be completed and signed (as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialised form respectively) by the first named Member and in his absence, by the next named joint holder.

Where an authorized representative of a body corporate has signed the Postal Ballot Form, a certified copy of the relevant authorization to vote on the Postal Ballot should accompany the Postal Ballot Form. Where the Form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Postal Ballot Form.

A Member may sign the Form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.

4. Unsigned Postal Ballot Form will be rejected.
5. Kindly ensure that duly completed Postal Ballot Form reaches the Scrutinizer not later than 14<sup>th</sup> January, 2008. Postal Ballot Form received after this date will be strictly treated as if the reply from the Member has not been received.
6. A Member may request for a duplicate Postal Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction 5 above.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member as on the last date of despatch of the Notice annexed herewith, i.e. 7<sup>th</sup> December 2007.
8. Members are requested not to send any other paper alongwith the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope. The Scrutinizer would destroy any extraneous paper found in such envelope.
9. A Member need not use all his votes nor he needs to cast all his votes in the same way.