

# HOWRAH MILLS COMPANY LIMITED

Regd. Office : "Howrah House", 135, Foreshore Road, Howrah - 711 102

## POSTAL BALLOT NOTICE TO THE MEMBERS OF THE COMPANY PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

NOTICE is hereby given that the following resolution is proposed to be passed by way of Postal Ballot in accordance with provision of section 192A of the Companies Act, 1956 ("the Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, ("the Act") (including any statutory modification(s), amendments or re-enactment thereof for the time being in force), Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [the "SEBI (ICDR) Regulations, 2009"] as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchange where the shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange and any other relevant statutory, government authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, upto 10,00,000 Equity Shares of the face value of Rs.10/- each of the Company at a premium of Rs. 40/- per share, on preferential basis in compliance with Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments thereto and on such terms and conditions and in such manner as the Board may in its absolute discretion deem fit, to the following entities as mentioned below:

Sl. No.	Name of the Proposed Allottees	Maximum No. of Equity shares to be allotted	Allottee is : QIB / MF / FI / Trust / Banks
	<b>Promoter &amp; Promoter Group :</b>	NIL	NO
	<b>Non Promoter Group:</b>		
1.	Linkup Vintrade Private Limited	1,00,000	NO
2.	Sanskar Commodeal Private Limited	1,00,000	NO
3.	Fantastic Hirise Private Limited	1,00,000	NO
4.	Milestone Vintrade Private Limited	2,00,000	NO
5.	Northcity Impex Private Limited	1,25,000	NO
6.	Silver Commosale Private Limited	1,25,000	NO
7.	Utmost Commercial Private Limited	1,25,000	NO
8.	Viewmore Dealers Private Limited	1,25,000	NO
	<b>TOTAL</b>	<b>10,00,000</b>	<b>NO</b>

### RESOLVED FURTHER THAT :

- The relevant date for the purpose of pricing of issue of the Equity Shares in accordance with the SEBI (ICDR) Regulations, 2009 be fixed as 18.02.2013 being the 30<sup>th</sup> day prior to 20.03.2013 i.e., the date of the Postal Notice in terms of section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.
- The Equity Shares to be allotted in terms of this resolution shall rank pari passu in all respects with the existing Equity Shares of the Company.
- The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of Equity Shares, and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price on a higher side than mentioned above, as it may deem expedient, without being required to seek any further consent or approval of the Members of the Company.
- The allotment of Equity Shares shall be subject to the lock-in clause as per the SEBI (ICDR) Regulations, 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to the issue or allotment of Equity Shares of the Company, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient or desirable and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering, issue and allotment of Equity Shares of the Company as it may in its absolute discretion deem fit and proper".

Registered Office  
"Howrah House"  
135, Foreshore Road  
Howrah - 711 102

Date : 20.03.2013

Encl: Postal Ballot Form and self-addressed postage pre-paid Envelope.

By Order of the Board  
For Howrah Mills Company Limited

Tuhingansu Roy  
Company Secretary

### NOTES:

- An Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act 1956 is annexed herewith and forms part of the Notice.
- The Board of Directors of the Company has appointed Mr. Babu Lal Patni, Practicing Company Secretary as the Scrutinizer for conducting this Postal Ballot voting process in a fair and transparent manner and in accordance with the provisions of the Act and the Rules framed there under. The Postal Ballot Form together with the self-addressed postage pre-paid envelope is enclosed for the use of the member.
- You are requested to carefully read the instructions printed on the reverse of the Postal Ballot Form before exercising votes and return the Form duly completed and signed in the enclosed self-addressed postage pre-paid envelope, so as to reach the Scrutinizer before the close of working hours on 20.04.2013. Consent or otherwise received thereafter shall be treated as if the reply from the shareholders has not been received. However, envelope containing Postal Ballots if sent by any other mode at the expense of the registered members will also be accepted.
- Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members on 15.03.2013.
- No e-voting facility is being offered.
- The above resolution being Special Resolution, shall be declared as passed, if the number of votes cast in its favour are not less than three times the number of votes, if any cast against the said resolution.
- The Scrutinizer will submit the report to the Whole time Director of the Company after completion of scrutiny. The result of the Postal Ballot will be announced on 25.04.2013 at 3.00 p.m. at the Registered Office of the Company at "Howrah House" 135 Foreshore Road, Howrah -711 102 by the Whole time Director of the Company or by any other person authorized by the Board of Directors and the resolution will be taken as passed effectively on the date of announcement of the result, if the result of the Postal Ballot indicates that the requisite majority of the Members has assented to the resolution. The result will be communicated to the Stock Exchange where the shares of the Company are listed and also published in the Newspapers. The Scrutinizer's declaration on the validity of the Postal Ballot shall be final.

**Explanatory Statement and reasons for proposed resolutions pursuant to section 173(2) of the Companies Act, 1956, and forming part of the Notice.**

The Company is in need of long term funds to shore up its long term working capital margin, to fund its expansion plans and for general capital expenditure requirements. The proceeds of the proposed issue may be utilized for any of the aforesaid purposes to the extent permitted by law. For this purpose as may be decided by the Board from time to time in the best interest of the Company, it is proposed to issue upto 10,00,000 (Ten lacs only) Equity Shares of Rs.10/- (Rupees Ten only) each of the Company at a price of Rs. 50/- (Rupees Fifty only) per share [including a premium of Rs. 40/- (Rupees Forty only) per share ] on preferential basis.

**The necessary information pertaining to the proposed preferential allotment in terms of the Regulation 73(1) of SEBI (ICDR) Regulations, 2009 are set out below:**

**1) Object of the Issue :**

The Company is in need of long term funds to shore up its long term working capital margin, to fund its expansion plans and for general capital expenditure requirements. To meet the fund requirements for the aforesaid objectives, it is considered necessary to issue Equity Shares on preferential basis and raise the funds.

**2) Intention of the Promoters/Directors/Key Management Persons to subscribe to the Offer:**

There is no intention of the Promoters, Directors and Key Management Persons to subscribe in the preferential issue.

**3) Shareholding Pattern before and after the Issue:**

Class of Shareholders	Pre Preferential Issue		No. of Equity Shares to be allotted	Post Preferential Issue	
	No. of Equity shares	%		No. of Equity shares	%
<b>Promoters &amp; Promoter Group</b>					
A. Indian Promoters					
(i) Individuals/HUF	365900	6.72	NIL	365900	5.68
(ii) Bodies Corporate	2142964	39.36	NIL	2142964	33.25
B. Foreign Promoter	NIL	NIL	NIL	NIL	NIL
<b>Total for Promoter Group</b>	<b>2508864</b>	<b>46.08</b>	<b>NIL</b>	<b>2508864</b>	<b>38.93</b>
<b>Public Shareholdings</b>					
Institutional	143112	2.63	NIL	143112	2.22
<b>Non Institutional</b>					
Bodies Corporate	2182213	40.08	10,00,000	3182213	49.38
Individual	603930	11.09	NIL	603930	9.37
NRI/Foreign Company/National etc.	6188	0.12	NIL	6188	0.10
<b>Total Public Shareholdings</b>	<b>2935443</b>	<b>53.92</b>	<b>10,00,000</b>	<b>3935443</b>	<b>61.07</b>
<b>TOTAL</b>	<b>5444307</b>	<b>100.00</b>	<b>10,00,000</b>	<b>6444307</b>	<b>100.00</b>

**Note:** The above post issue shareholding pattern is based on the assumption of full subscription of the Equity Shares

**4) Consequential Changes in the Voting Rights:**

Voting rights will change in tandem with the shareholding pattern.

**5) Proposed time within which allotment shall be completed:**

The Board proposes to allot the Equity Shares within a period of 15 days from the date of passing the resolution by Postal Ballot provided that when the allotment on preferential basis is pending on account of pendency of any approval or permission for such allotment by any regulatory authority or the Central Government, the period of fifteen days shall be counted from the date of receipt of such approval or permission.

**6) The identity of the proposed allottees and the Percentage of Post Preferential Issue capital that may be held by them:**

Sl. No.	Name of the Proposed Allottees	Pre Preferential Issue		No. of Equity Shares to be allotted	Post Preferential Issue	
		No. of Equity shares	%		No. of Equity shares	%
1.	Linkup Vintrade Private Limited	NIL	NIL	1,00,000	1,00,000	1.55
2.	Sanskar Commodeal Private Limited	NIL	NIL	1,00,000	1,00,000	1.55
3.	Fantastic Hirise Private Limited	NIL	NIL	1,00,000	1,00,000	1.55
4.	Milestone Vintrade Private Limited	NIL	NIL	2,00,000	2,00,000	3.10
5.	Northcity Impex Private Limited	NIL	NIL	1,25,000	1,25,000	1.94
6.	Silver Commosale Private Limited	NIL	NIL	1,25,000	1,25,000	1.94
7.	Utmost Commercial Private Limited	NIL	NIL	1,25,000	1,25,000	1.94
8.	Viewmore Dealers Private Limited	NIL	NIL	1,25,000	1,25,000	1.94
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>15.51</b>

**Note:** The above post issue shareholding pattern is based on the assumption of full subscription of the Equity Shares

**7) Lock in :**

The aforesaid allotment of Equity Shares shall be locked in as per the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009.

Further, the entire Pre-Preferential allotment shareholding of all the proposed allottees, if any, shall also be under lock-in from the relevant date upto a period of six months from the date of the allotment of Equity Shares.

**8) Change in the control or composition of the Board :**

Subsequent to the proposed issue of Equity Shares on preferential basis, there will neither be a change in control nor a change in the management of the Company. However, there will be a corresponding change in the shareholding pattern as well as voting rights consequent to the preferential allotment of Equity Shares.

**9) Price of the Issue :**

The Equity Shares are proposed to be allotted on preferential basis at a price of Rs. 50/- per share including premium of Rs.40/- per share.

**10) Auditor's Certificate :**

A copy of the certificate from the Statutory Auditors of the Company, M/s. S. Jaykishan, Chartered Accountants, certifying that the issue of the Equity Shares is being made in accordance with the requirement of SEBI (ICDR) Regulations, 2009 for Preferential Issues, will be available for inspection at the Registered Office of the Company during 11.00 a.m. and 4.00 p.m. on any working day upto the last date for voting under Postal Ballot. The Auditor's Certificate will also be displayed on the website of the Company – [www.mjindia.com/jute/howrahmill/html/index.html](http://www.mjindia.com/jute/howrahmill/html/index.html).

The consent of the Shareholders is being sought pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956, if any, and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchange where the Company's shares are listed.

None of the Directors of the Company is, in any way, concerned or interested in the resolution. The Board recommends the Resolution for your approval.

**By Order of the Board**

Registered Office  
"Howrah House"  
135, Foreshore Road  
Howrah – 711 102

**For Howrah Mills Company Limited**

Tuhinangsu Roy  
Company Secretary