

S. Kumars Nationwide Limited

Avadh, Avadhesh Parisar, Shree Ram Mills Premises, G. K. Marg, Worli, Mumbai 400 018 INDIA.
Website : www.sknl.co.in

Notice of Postal Ballot

About the Company – S. Kumars Nationwide Limited

SKNL is one of the largest integrated manufacturers of high value fabrics and apparel in the country with a dominant presence right across the value chain. At present, the Company has a host of brands with good recall that offer high quality fabrics and ready-to-wear clothing catering to an audience that is diverse in terms of age, income levels and preferences. The brands under its umbrella include Reid & Taylor (premium and luxury segment), Belmonte (mid premium segment), Carmichael house (mid – premium home textiles segment), Stephens Brothers (Super Premium segment) and S. Kumars (economy segment). SKNL is the only textile company operating in all socio – economic segments of the Indian market, catering to clothing and home textile products for all needs, occasions and budgets, thereby qualifying as the true “clothiers to the Nation”.

SKNL is a professionally managed enterprise with its top management team comprising of several dedicated specialists, professionals, entrepreneurs.

SKNL essentially comprises the strategic business units such as Luxury Textiles, Consumer Textiles, High Value Fine Cottons (HVFC), Home Textiles, Total Home Expressions, Ready-to-wear garments, Total Wardrobe Solutions, SKNL Brands, Reid & Taylor, Stephens Brothers, Belmonte, Carmichael House, S. Kumars, etc.

Manufacturing capabilities:

State-of-the-art integrated manufacturing units are one of the key strengths of the Company. SKNL has 6 manufacturing units catering to all its business units. Reid & Taylor has a dedicated worsted suiting facility near Mysore, Karnataka. Other facilities operated by the Company include facilities catering to the consumer fabrics and home textiles in Dewas, Madhya Pradesh. SKNL also has a completely integrated facility of garments including shirts, trousers, jackets and suits, which are located in Bangalore.

Apart from its existing facilities, SKNL has recently commissioned state-of-the-art manufacturing facilities in the High Value Cotton segment and the Home Textile facility. These units are installed with the latest machinery and will be one of the most technologically sophisticated facilities in the world.

Overseas businesses

Hartmarx Corporation:

In Q1 FY2010, SKNL's wholly owned subsidiary, SKNL North America B.V., acquired Hartmarx Corporation, USA, the largest men's formal-wear clothing company in the US and a leading American producer of luxury apparel. Hartmarx directly owns / controls 34 diverse brands catering to the premium and luxury segments of the men's, women's and sports apparel and garment market. The acquisition will enable SKNL Group to establish a substantial footprint in the global arena and also bring significant business volumes to the SKNL Group operations in India through a 'front-end back-end synergy' strategy.

Leggiuno S.p.A, Italy:

Leggiuno is among the top 3 Italian Shirting Fabrics businesses. Leggiuno's products are patronized by leading fashion houses & brands such as Prada, Hermes, Versace, Zegna, Etro, Kenzo, Faconnable, Burberry & Paul Smith, to name a few.

This is a strategic acquisition for SKNL, as it brings to the plate numerous synergies with SKNL's new state-of-the-art HVFC project. It brings key advantages to the company including an immediate access to the high end brands catered to by Leggiuno and a readily available European market. SKNL expects better earnings delivery from this new venture once it is able to synergistically operate the new HVFC facility, which commenced commercial in the last quarter.

To the Shareholder(s),

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 (the "Act"), read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 ("Rules") for the consent of the Members of S. Kumars Nationwide Limited for the proposed special resolution set out below, which is sought to be obtained by means of Postal Ballot. The Explanatory Statement stating all material facts and the reasons for the proposed resolution is also appended hereto for your consideration.

Special Business:

Issuance of equity share warrants of the Company to the Promoter(s) on preferential allotment basis:

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

“**RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 (“**SEBI Regulations**”) 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(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchanges where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental 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, sanctions and permissions as may be necessary (“**Approvals**”) and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and / or which may be agreed to or considered necessary 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, permission and approval of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, upto 1,24,25,000 (One Crore Twenty Four Lakhs Twenty Five Thousand) of equity share warrants or any other securities or financial instrument(s) convertible into equity shares of the Company (hereinafter referred to as “**Warrants**”) to M/s. Sansar Exim Private Limited (“**Warrant holder**”), a promoter group company, on such terms and conditions and in such manner as the Board may think fit, without offering the same to any other person, whether or not they are members of the Company; each equity share Warrant entitling the Warrant holder to apply for and be allotted one equity share of Rs. 10/- (Rupees Ten Only) each fully paid-up, at a price calculated in accordance with regulation 76 (1) of chapter VII of Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009, (“**SEBI (ICDR) Regulations**”) which shall be the higher of the following:

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date;

OR

2. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date.

The said Warrants shall be converted within a period not exceeding eighteen months from the date of allotment of the Warrants, in one or more tranches, in accordance with the SEBI Guidelines and other relevant guidelines as may be prevailing at the time of allotment of shares, and that the Warrants so issued or allotted give rise (on allotment or conversion/ exercise of right) to not more than 1,24,25,000 (One Crore Twenty Four Lakhs Twenty Five Thousand) Equity Shares of Rs. 10/- each fully paid-up.

RESOLVED FURTHER THAT the relevant date, in terms of Chapter VII of the SEBI (ICDR) Regulations, for determination of minimum price for the issuance of the Warrants on a preferential allotment basis and conversion thereof into equity shares of Rs.10/- each is 30 days prior from the date of declaration of the result i.e. 30th April 2010 and accordingly, the Warrants so issued shall, on exercise of rights attached thereto, shall be converted into equal number of equity shares of Rs.10/- each at a price including premium as may be determined.

RESOLVED FURTHER THAT the equity shares allotted on conversion of Warrants in terms of this resolution shall be subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividend with the existing fully paid up equity shares of Rs. 10/- each of the Company.

RESOLVED FURTHER THAT the aforesaid Warrants allotted in terms of this resolution and the resultant equity shares arising on exercise of right attached to such Warrants shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI Regulations.

RESOLVED FURTHER THAT the warrants shall be issued by the Company on the following terms and conditions:

- i. An amount equivalent to 25% of the exercise price of the Equity Shares arising out of the Warrants shall be payable at the time of making the application for Warrants, which will be kept by the Company as a deposit to be adjusted and appropriated against the price of the Equity Shares payable by the Warrant Holder at the time of exercising the option.
- ii. In the event the Warrant Holder does not exercise the option of conversion within 18 months from the date of allotment of Warrants, the Warrants shall lapse and the deposit of 25% as indicated in point (i) above shall be forfeited by the Company.
- iii. The issue of the Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid shall be governed by the respective provisions of the Companies Act, 1956, the Memorandum & Articles of Association of the Company and also the Guidelines/Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid Warrants and the resultant equity shares to the holders of the Warrants upon exercise of right to subscribe the shares and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(s) or officer(s) of the Company to give effect to the resolution"

Regd. Office:
Avadh, Shree Ram Mills Premises,
Ganpatrao Kadam Marg, Worli, Mumbai 400 018

By order of the Board
S. Kumars Nationwide Limited

Place: Mumbai
Date: 19th April 2010

Nimesh S. Shah
Vice President & Company Secretary

Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Board of Directors has appointed Shri Promod S. Shah, Company Secretary as the Scrutinizer to conduct the voting through postal ballot, in a fair and transparent manner and to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for use of Members.
3. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted) duly completed with the assent (for) or dissent (against), in the attached pre – paid envelope, so as to reach the Scrutinizer on or before 29th May 2010 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the results of postal ballot will be announced on 31st May 2010, at 4.00 p.m. at the Registered Office of the Company at Avadh, Shree Ram Mills Premises, Ganpatrao Kadam Marg, Worli, Mumbai - 400 018.

The said date of declaration of the result of the Postal Ballot will be taken as the date of passing of the Resolutions.

4. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Corporate Office of the Company situated at Sr. No. 90 / H No. 5, Inga Complex, 2nd Floor, Next to Onida House, Mahakali Caves Road, Andheri (East), Mumbai 400 093, during the office hours on all working days except 2nd and 4th Saturday between 11.00 a.m. and 1.00 p.m. upto 29th May 2010.
5. The said Notice of postal ballot and ballot form have also been placed on the Company's website viz www.sknl.co.in for the perusal of the members / shareholders.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Issuance of equity share warrants of the Company to the Promoter(s) on preferential basis:

The Company requires funds in near future for meeting present capital expenditure for expansion and modernization activities, working capital margin requirements arising out of increased volume of business and for other corporate purposes, as may be required from time to time. To make provision for the funds so required, it is considered appropriate under the current circumstances to issue equity share warrants convertible into equity shares on preferential basis in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI Regulations").

On the request of the Company, M/s. Sansar Exim Private Limited, a promoter group company, has agreed to subscribe upto 1,24,25,000 (One Crore Twenty Four Lakhs Twenty Five Thousand) nos. of equity share warrants or any other securities or financial instrument(s) (hereinafter referred to as "Warrants"), convertible into equivalent number of equity shares of Rs. 10/- each fully paid-up, on preferential basis, at a price calculated in accordance with clause 76 (1) of chapter VII of SEBI ICDR (Issue of Capital And Disclosure Requirements) Regulations, 2009, which shall be the higher of the following:

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date;

OR

2. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date.

(Relevant date: 30 days prior from the date of declaration of the result, i.e. 30th April 2010)

The details of the issue and other particulars as required under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations") in relation to the above resolution proposed are given as under:

i. Objects of the Issue

The funds raised through the proposed issue of equity share Warrants shall be used for meeting present and future capital expenditure for expansion and modernization activities, working capital margin requirements arising out of increased volume of business and for other corporate purposes, as may be required from time to time.

ii. Intention of promoters / directors / key management persons to subscribe to the offer

M/s. Sansar Exim Private Limited, a promoter group company, has agreed to subscribe all the Warrants offered by the Company. None of the other promoters / directors / key management persons of the Company shall subscribe to the offer.

iii. Shareholding pattern before and after the offer

The shareholding pattern of the Company, before and after the preferential issue assuming allotment of equity shares upon full conversion of all the Warrants, shall be as under:

Category	Pre-Issue Shareholding Pattern*		Shareholding Pattern post conversion of Warrants*	
	No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)
A. Promoters, Promoters Group, Directors and Director's Relatives Shareholding	117789281	49.80	130214281	52.31
B. Public Shareholding				
Banks	79000	0.03	79000	0.03
Mutual Funds	120317	0.51	1203217	0.48
Financial Institutions	110000	0.05	110000	0.04
Foreign Institutional Investors	63057237	26.66	63057237	25.33
Private Corporate Bodies	30219121	12.78	30219121	12.14
Foreign Companies/ Non Resident Individuals	2828242	1.20	2828242	1.14
Shares in transit	586051	0.25	586051	0.24
Resident Individuals/others	20641689	8.73	20641689	8.29
Total	23,65,13,838	100.00	24,89,38,838	100.00

* Based on the beneficiary positions in the shares of the Company as of 9th April 2010, as provided by the Depositories. Post-Issue Shareholding Pattern may change due to change in the beneficiary position.

iv. Proposed time within which the allotment shall be completed

As required under the SEBI Regulations, the allotment of warrants shall be completed within 15 days of the date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or Central Government, the allotment would be completed within 15 days from the date of such approval

v. Identity of the proposed allottee and the percentage of post preferential issue capital that may be held by them

Name of the proposed allottee	Pre-Issue Shareholding Pattern*		Shareholding Pattern post conversion of Warrants*	
	No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)
Sansar Exim Private Limited	NIL	NIL	1,24,25,000	4.99

vi. **Lock-in**

In terms of the SEBI Regulations for Preferential Issues, the Warrants and the resultant shares on conversion of the Warrants proposed to be allotted to M/s. Sansar Exim Private Limited shall be locked-in for a period of three years from the date of their allotment or such other period as prescribed in the SEBI Regulations, provided that in any case, not more than 20% of the total capital of the Company, including capital brought in by way of preferential issue, shall be subject to lock-in of three years from the date of allotment.

Further, the entire pre-preferential allotment shareholding of M/s. Sansar Exim Private Limited, if any, shall also be under lock-in from the relevant date upto a period of six months from the date of preferential allotment.

The equity shares that will be issued pursuant to the conversion of Warrants, will be locked-in as per the requirements of the SEBI Regulations.

vii. **Other terms of Issue of Warrants**

1. The proposed allottee of the Warrants shall on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the total consideration per Warrant
2. The holder(s) of each Warrant will be entitled to apply for and obtain allotment of one equity share against such Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the Warrant holder shall pay the balance of the consideration towards the subscription to each equity share.
3. If the entitlement against the Warrants to apply for equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for the equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited.
4. Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share against each Warrant by appropriating Rs. 10/- per equity share towards equity share capital and the balance amount paid against each Warrant towards the securities premium amount.
5. The Warrant by itself till converted into equity shares, does not give to the holder(s) thereof any rights of the shareholders of the Company.
6. The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid up equity shares of the Company.

The allotment of Warrants does not require making of a public offer as it is below the prescribed threshold limit for making of a public offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Due to above preferential allotment of Warrants and the resultant issue of equity shares, no change in the management control is contemplated. The aforesaid allottee(s) shall be required to comply with the relevant provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, if any applicable consequent to the allotment of shares on conversion of Warrants as proposed above.

In view of the above, it is proposed to issue upto 1,24,25,000 (One Crore Twenty Four Lakhs Twenty Five Thousand) nos. of Warrants (convertible into equivalent number of equity shares of Rs. 10/- each fully paid-up) to M/s. Sansar Exim Private Limited, on a preferential basis, at a price including premium as may be determined in accordance with the criteria given under the SEBI Regulations.

A copy of the certificate from the Statutory Auditors of the Company, M/s. Haribhakti & Co., Chartered Accountants, certifying that the issue of the Warrants is being made in accordance with the requirements of SEBI Regulations for Preferential Issues, will be available for inspection at the Corporate Office of the Company situated at Sr. No. 90 / H No. 5, Inga Complex, 2nd Floor, Next to Onida House, Mahakali Caves Road, Andheri (East), Mumbai 400 093, during the office hours on all working days except 2nd and 4th Saturday between 11.00 a.m. and 1.00 p.m. upto 29th May 2010.

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

All the directors of the Company may be deemed to be interested in this resolution to the extent securities that may be allotted to M/s. Sansar Exim Private Limited, being a group company of promoters, of which they may be directors/members. Save as aforesaid, none of the other directors is in any way interested in this resolution.

Your approval is sought by voting by postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company, other than Shri Nitin S. Kasliwal, Smt Jyoti N. Kasliwal and Shri Dara D. Avari are in any way, concerned or interested in the said resolution.

Regd. Office:
Avadh, Shree Ram Mills Premises, Ganpatrao Kadam Marg, Worli, Mumbai 400 018

By order of the Board
S. Kumars Nationwide Limited

Place: Mumbai
Date: 19th April 2010

Nimesh S. Shah
Vice President & 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 & special 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 Resolutions by placing tick (✓) mark at the appropriate box below.:

Sr. No.	Description	No. of Shares	I/We assent to the Resolution	I/We dissent to the Resolution
1.	Special Resolution U/s 81 (1A) for issuance of equity share warrants of the Company to Promoter(s) on preferential basis.			

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 29th May, 2010. 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. 29th April 2010.
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.