

NOTICE OF POSTAL BALLOT
(PUSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956)

Dear Shareholder(s),

NOTICE is hereby given pursuant to Section 192A and other applicable provisions of the Companies Act, 1956 ("The Act") read together with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011 (hereinafter referred to as "Postal Ballot Rules"), to seek the Consent of the Members of the Company to the Special Business of passing the following resolutions by Postal Ballot. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and reasons therefor is annexed. The said Ordinary Resolution and the Explanatory Statement is being sent to you along with a Postal Ballot Form for your consideration.

The company has appointed CS Rajendra Chauhan, a Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent matter.

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 postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours on the 15.06.2013.

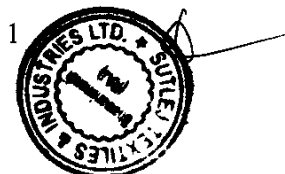
The Scrutinizer will submit his report to the Wholetime Director/Authorized Director and/or Chairman of the Company after completion of the scrutiny and the result of voting by postal ballot will be announced on or before 17.06.2013 at the Registered office of the Company and/or the website of the Company, besides communication to the Stock Exchanges (BSE and NSE). The srutinizer's decision on the validity of the Postal ballot shall be final. The Resolutions, if approved, will be taken as passed on the date of the declaration of the result and also noted in the next Annual General Meeting of the Company.

1. CAPITALISATION OF RESERVES AND ISSUE OF BONUS SHARES:-

To consider, and if thought fit, to give assent / dissent, to the following Resolution as an Ordinary Resolution through Postal Ballot under provisions of the Companies Act, 1956:

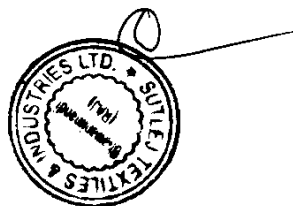
"RESOLVED THAT

i) Pursuant to Articles of Association of the Company and recommendation of Board of Directors and subject to the guidelines issued by Securities & Exchange Board of India and subject to such consents and approvals as may be required from appropriate authorities, the consent of the members be and is hereby accorded to capitalize a sum not exceeding Rs. 5,46,09,540/- (Rupees Five Crore Fortysix Lakhs Nine Thousand Five Hundred Forty Only) from the Capital Reserve, General Reserve and/or Profit & Loss Account, as may be decided by the Board of Directors, for distribution among the holders of existing fully paid up equity shares of Rs. 10/- each of the Company, whose name appear in the Register of Members or



in the respective beneficiary account with their respective Depository Participants, on the 'Record Date', which is determined by the Board of Directors (the "Board", which expression shall also include a Committee thereof) for the purpose; (and if necessary, in consultation with the Stock Exchange/s); and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company held by such Member, and not as income or in lieu of dividend, by crediting 54,60,954 new fully paid equity shares of Rs.10/- each, as bonus shares in the proportion of 1 (one) new equity bonus share of Rs.10/- each of every 2 (Two) existing fully paid up equity shares of Rs.10/- each held.

- ii) That in the case of Members who hold Equity Shares (or opt to receive the Bonus Shares) in dematerialized form, the Bonus Shares be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in physical certificate form, the share certificates in respect of the Bonus Shares be dispatched, within such time as prescribed by law and relevant authorities;
- iii) The Bonus Shares so issued/ allotted shall be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with the existing fully paidup Equity Shares of the Company as at the Record Date to be notified by the Company; except in so far as the dividend as declared, for the accounting year 2012-13 by the Annual General Meeting of the Shareholders to be held on 10th August, 2013;
- iv) No letters of allotment shall be issued to the allottees of the new equity bonus shares and the share certificate(s) in respect of the new equity bonus shares shall be issued and dispatched to the allottees thereof within the period prescribed in this behalf, from time to time, by statute or applicable regulation or rule; except that the new equity bonus shares will be credited to the demat account of the allottees, who are holding the existing equity shares in electronic form.
- v) That no fractions, if any, arising out of the issue and allotment of the Bonus Shares shall be allotted by the Company and the Company shall not issue any certificate or coupon in respect thereof but all such fractional entitlements, if any, shall be consolidated and the Bonus Shares, in lieu thereof, shall be allotted by the Board to nominee(s) to be appointed by the Board, who shall hold the same as trustee(s) for the members entitled thereto and sell the said Shares so arising at the prevailing market rate and pay to the Company the net sale proceeds thereof, after adjusting therefrom the cost and expense in respect of such sale for distribution to Members in proportion to their fractional entitlements.
- vi) The allotment of the new equity bonus shares to the extent that they relate to non-resident members of the company shall be subject to the applicable Law and Approval/s, if any, of the Reserve Bank of India, as may be necessary under the Applicable Law.



vii) For the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things whatsoever including settling any question, doubt or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and accept on behalf of the company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the Statutory Authority(ies) and which the Board, in its discretion, thinks fit and proper”.

By Order of the Board
For Sutlej Textiles and Industries Limited
D.R.Prabhu
Company Secretary

Registered Office:
Pachpahar Road,
Bhawanimandi 326502
Rajasthan
Date:May 08, 2013

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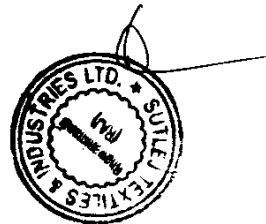
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Company has posted substantial/significant growth both in revenues as well as profits in the last few years. In view of this successful value creation cycle, and accrued position of Reserves & Surplus of the Company as at 31st March 2013, the Board of Directors have great pleasure in proposing issue of Bonus shares in the ratio of 1 (One) Bonus equity share for every 2 (Two) existing shares; subject to approval by the Shareholders of the Company and other Statutory Approvals as may be required, by capitalizing a sum not exceeding Rs. 5,46,09,540/- (Rupees Five Crore Fortysix Lakhs Nine Thousand Five Hundred Forty Only) from the Capital Reserve, General Reserve and/or Profit & Loss Account, as may be decided by the Board of Directors (as per the Audited Accounts of the Company for the financial year ended 31st March 2013) and applying the said sum in paying up in full for issue of up to 54,60,954 Equity Shares of Rs. 10 each to the Members of the Company, in proportion of One (1) Bonus Equity Share of Rs. 10 each for every Two (2) Fully paid-up Equity Shares of Rs. 10 each held by them.

The record date for the issue of bonus shares to determine the eligibility of shareholders entitled to receive the Bonus shares, will be intimated separately to the Stock Exchanges and advertised in the newspapers.

The Board recommends the resolution for approval by the Members.

The Directors of the Company may be deemed to be concerned or interested in this resolution to the extent of their respective holding of shares in the Company.



POSTAL BALLOT FORM

SERIAL No. _____

1. **Name(s) of Shareholders(s)**
(Including joint holders, if any)
(in block letters)
2. **Registered address of the sole/first/named shareholder**
3. **Registered folio No./ DP ID No./Client/ID No.***
(Applicable to investors holding Shares in dematerialized form)
4. **Number of shares held as on 10.05.2013**
5. I/we hereby exercise my/our vote in respect of the ordinary resolution set out in the notice dated 08/05/2013 to be passed by means of postal ballot by sending my/our assent (**FOR**) or dissent (**AGAINST**) to the said resolution by placing the tick (✓) mark at the appropriate box below:
(Tick in both boxes will render the ballot invalid)

| Item | No. of shares | I/We assent to the resolution (FOR) | I/We dissent to the resolution (AGAINST) |
|--|---------------|-------------------------------------|--|
| Ordinary Resolution For Issue of Bonus Shares in proportion of One (1) Bonus Equity Share of Rs. 10 each for every Two (2) fully paid-up Equity Shares of Rs. 10 each held, subject to applicable Law and appropriate consents. | | | |

Place: _____

(Signature of the Shareholder)

Date: _____

Email: _____ Telephone No. _____
(Optional)

PLEASE SEND YOUR POSTAL BALLOT FORM IN THE ENVELOPE ENCLOSED HERewith, THE LAST DATE OF RECEIPT BY THE SCRUTINIZER BEING 15.06.2013.

NOTE: PLEASE READ THE INSTRUCTIONS PRINTED OVERLEAF



INSTRUCTIONS

1. A Shareholder desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted.
2. The self-addressed envelope bears the address of the Scrutinizer.
3. This form should be completed and signed by the shareholder. In case of joint holding, this Form should be completed and signed (as per the specimen registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
4. The consent must be accorded by recording the assent in the Column 'FOR' and dissent in the Column 'AGAINST' by placing a tick (✓) mark in the appropriate column.
5. Incomplete, unsigned and incorrect Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final and binding.
6. In case of Shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the relevant Board resolution/authorization.
7. Duly completed Postal Ballot Form should reach the company not later than the close of working hours on 15th June, 2013. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
8. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on 10th May, 2013.
9. Shareholder(s) is/are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope, as such envelope(s) will be sent to the Scrutinizer and any extraneous paper found in such envelope will be destroyed by the Scrutinizer.
10. The exercise of the vote by Postal Ballot is not permitted through Proxy.
11. There will be only one Postal Ballot Form for every folio/client ID irrespective of the number of joint members.
12. Shareholders from whom no Postal Ballot Form is received or received after the aforesaid stipulated period shall not be counted for the purposes of passing of the resolution.
13. Any query in relation to the resolution proposed to be passed by Postal Ballot may be addressed to Shri D.R.Prabhu, Company Secretary, Sutlej Textiles and Industries Ltd., Solaris Building No.1, D-Wing, 4th floor, Solaris Complex, Saki Vihar Road, Powai, Andheri (East), Mumbai 400 072, Telephone No.022-42198800; Fax No.022-42198830/31; E-mail ID:hoffice@sutlej-rtm.co.in.;prabhu@sutlejtextiles.com

