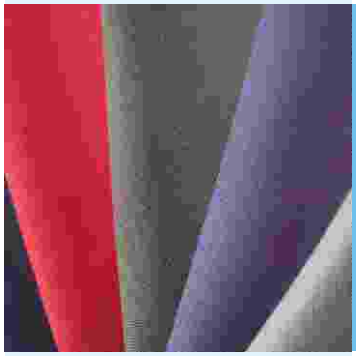




24th Annual Report 2014





BANNARI AMMAN
Spinning Mills Ltd.

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BOARD OF DIRECTORS

Sri S V Arumugam	-	Chairman & Managing Director
Sri K N V Ramani	-	Director
Sri C S K Prabhu	-	Director
Dr K R Thillainathan	-	Director
Sri S Palaniswami	-	Director
Sri K Sadhasivam	-	Director

CHIEF EXECUTIVE OFFICER

Sri A Senthil

COMPANY SECRETARY

Sri N Krishnaraj

AUDITORS

M/s P N Raghavendra Rao & Co
Chartered Accountants
Coimbatore - 641 009

INTERNAL AUDITORS

M/s Srivatsan & Gita
Chartered Accountants
Coimbatore - 641 018

COST AUDITOR

Sri M Nagarajan
Cost Accountant
Coimbatore - 641 018

REGISTERED OFFICE

252, Mettupalayam Road
Coimbatore - 641 043 Tamilnadu
Ph No : 0422 - 2435555
www.bannarimills.com
CIN : L17111TZ1989PLC002476

BANKERS

The Karur Vysya Bank Limited
Corporation Bank
ICICI Bank Limited
Oriental Bank Of Commerce
Indian Overseas Bank
Bank Of Maharastra
Indian Bank
IDBI Bank
Allahabad Bank

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 24th Annual General Meeting of the Members of the Company will be held at Nani Kalaiarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641037 on Monday the 25th day of August, 2014 at 9.15 AM to transact the business set out in the agenda given below:

You are requested to make it convenient to attend the meeting.

AGENDA

ORDINARY BUSINESSES

1. To received, consider and adopt the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date together with the reports of the Directors' and the Auditors thereon.
2. To declare dividend.
3. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :**

   RESOLVED that pursuant of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board, the company do hereby appoint the retiring auditor of the Company as statutory auditor for a further period as under:

   I. M/s P.N.Raghavendra Rao and Co., Coimbatore (Firm Registration No.003328S) shall hold office for a period of three years from the conclusion of this Annual General Meeting till the conclusion of 27th Annual General Meeting.

   II. The appointment of auditor as above shall be subject to ratification by members at every Annual General Meeting in accordance with the first proviso to Section 139(1) of the Companies Act, 2013 or as may be amended or clarified by the Government from time to time.

   III. The Board of Directors be and are hereby authorised to fix their remuneration on the recommendation of Audit Committee each year.

SPECIAL BUSINESSES

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :**

   RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri K N V Ramani (holding DIN 00007931), a Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :**

   RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable

provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri C S K Prabhu (holding DIN 00002913), a Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :**

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Dr K R Thillainathan (holding DIN 00009400), a Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in accordance with the provisions of the Companies Act, 2013 is required to be appointed as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

7. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :**

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri S Palaniswami (holding DIN 00007901), a Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in accordance with the provisions of the Companies Act, 2013 is required to be appointed as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

8. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :**

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri K Sadhasivam (holding DIN 00610037), a Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in accordance with the provisions of the Companies Act, 2013 is required to be appointed as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

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

RESOLVED that in supersession of the earlier Resolution passed in this regard pursuant to Section 293 (1) (d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 23rd September, 2009 and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 the consent of the members be and is hereby granted to the Board of Directors of the Company to borrow for the purposes of its business, apart from temporary loans obtained and or to be obtained from the Company's bankers in the ordinary course of business, a sum or sums of money not exceeding ₹750 Crores (Rupees Seven Hundred and Fifty Crores Only), excluding the interest accrued thereon, notwithstanding that such aggregate amount of borrowing outstanding at any one time may exceed paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, from the Company's bankers or from any person or persons, firms, bodies corporate or Financial Institutions and by way of deposits, debentures, advances or other loans whether unsecured or secured by mortgage, charge, hypothecation or pledge of any or all of the Company's assets and properties existing and future, on such terms and conditions as the Board of Directors may from time to time, deem fit.

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

RESOLVED that in supersession of the Resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Extra Ordinary General Meeting of the Company held on 4.7.2005 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the members of the Company be and is hereby accorded to the Board of Directors for the creation of mortgages, charges and hypothecations, in such form and manner as the Board of Directors may deem fit on such of the Company's movable and immovable properties, both present and future and in such manner as the Board may direct the Company in certain events in favour of Lender(s)/Financial Institutions/Bank(s)/Trustees and other investing agencies to secure Rupee Loans, Securities (Comprising fully/partly Convertible Debentures with or without detachable or non-detachable warrants) or other debt instruments together with interest thereon at the respective agreed rates, compounded rates, additional interest, liquidated damages, commitment charges, remuneration of Trustee(s), premia on pre-payment or on redemption, costs, charges, expenses, including any increase as a result of devaluation/revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company to the Lender(s)/Financial Institutions/Bank(s)/Trustees and other investing agencies under the arrangements entered into/to be entered by the Company in respect of the said loans, securities or other instruments.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalize the terms and conditions of the above mentioned loans, securities, instruments and documents for creating the aforesaid mortgages, charges and hypothecations and to do all such acts and things and execute such documents or writings as may be necessary for giving effect to the above resolution.

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours beforethe meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting in item 4 to 10 are annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 19.8.2014 to 25.8.2014 (both days inclusive).
5. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 25.8.2014. In respect of dematerialized shares, dividend will be paid on the basis of the beneficial ownership furnished by the National Security Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 18.8.2014.
6. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under section 205C of the Companies Act, 1956 on the respective due dates; upon such transfer, no claim shall lie against the Company or the Central Government for such unclaimed dividend.
7. Members are requested to bring their copy of the Annual Report along with them to the meeting.
8. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.
9. The voting through electronic means will be available from 20th August, 2014 10.00 A.M. to 21st August, 2014 6:00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
10. The Company has appointed Mr R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
11. The instructions for members for voting electronically are as under:-

    In case of members receiving e-mail:

    i. Log on to the e-voting website: www.evotingindia.co.in
    ii. Click on "Shareholders" tab.
    iii. Now, select the "BANNARI AMMAN SPINNING MILLS LIMITED" from the drop down menu and click on "SUBMIT"
    iv. Now Enter your User ID
        a. For CDSL: 16 digits beneficiary ID,
        b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
        c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.co.in and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date in the Dividend Bank details field.**

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant "BANNARI AMMAN SPINNING MILLS LIMITED" on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

12. In case of members receiving the physical copy:

a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

b) The voting will be available from 20th August, 2014 10.00 A.M. to 21st August, 2014 6:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 11th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

13. In case of members desiring to exercise vote by Postal Ballot:

a) A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.

b) As the Company, being a Listed Company and having more than 1000 Shareholders, is compulsorily required to provide e-voting facility to its members in terms of Section 108 of the Companies Act, 2013 read with the Rules made thereunder and Clause 35 B of the Listing Agreement, voting by show of hands will not be available to the members at the 24th Annual General Meeting in view of provisions of Sec 107 read with Sec 114 of the said Act. Hence the items of Business given in this notice are proposed to be transacted through electronic voting/postal ballot system/poll. The voting rights are available to the members who are the members as on 11th July, 2014 (cut off date for the purpose of exercising voting rights).

c) In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Postal Ballot Form is annexed. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and sent it to Mr R DHANASEKARAN, Practicing Company Secretary (CP No.7745), C/o. Link Intime India Private Limited Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028, so as to reach him on or before 22nd August, 2014. Any Postal Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

14. Kindly note that members can opt for only one mode of voting i.e., either by physical ballot or through e-voting. If members are opting for e-voting then do not vote by Physical Ballot or vice versa. However, in case of Members casting their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

15. In support of the "Green Initiative" announced by the Government of India, electronic copy of the Annual Report and Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company / Depository Participants unless member has requested for a hard copy of the same.

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

Coimbatore

21st May, 2014