



BANNARI AMMAN SPINNING MILLS LIMITED

Regd. Office. 252, Mettupalayam Road, Coimbatore - 641043

Phone : 0422- 2435555 Website : www.bannarimills.com

e-mail : shares@bannarimills.com CIN : L17111TZ1989PLC002476

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 28th 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 24th day of September, 2018 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 BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company both Standalone and Consolidated for the financial year ended 31st March, 2018, the reports of the Board of Directors and the Auditors thereon;
2. To declare dividend on equity shares
3. To appoint a Director in the place of Sri S V Arumugam, (DIN 00002458) who retires by rotation and being eligible, offers himself for re-appointment

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

In partial modification of the earlier resolution passed in this regard, **RESOLVED** that the term of office of present Auditors viz., M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Bangalore (Firm Registration No: 117366W/W-100018) be continued till the conclusion of 32nd Annual General Meeting without requirement of ratification of their appointment every year in terms of Section 139 (1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017.

SPECIAL BUSINESS

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

RESOLVED that pursuant to Sections 196, 197, 198, 199 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, Sri S V Arumugam, (DIN 00002458) be and is hereby re-appointed as a Managing Director of the Company for a further period of 5 years w.e.f 27.6.2018 and that Sri S V Arumugam, Managing Director (DIN 00002458) be paid the following remuneration as recommended by the Nomination and Remuneration Committee :

REMUNERATION : 10% (Ten percent) of the Net Profits of the Company computed under the relevant provisions of the Companies Act, 2013, as overall remuneration, paid in the following manner:

- a. **Salary** : Rs. 5,00,000/- (Rupees Five Lakhs only) per month.
- b. **Perquisites** : An amount not exceeding annual Salary.
- c. **Commission** : Balance of overall remuneration remaining after payment of the above Salary and Perquisites at the end of each financial Year.

MINIMUM REMUNERATION

In the absence or inadequacy of profits in any financial year, the remuneration to Sri S V Arumugam, Managing Director (DIN 00002458) shall be governed by the limits prescribed under Section II of the Part II of Schedule V of the Companies Act, 2013. It is further provided that this provision relating to payment of Minimum remuneration is limited to the first three years of appointment of Managing Director and that the following perquisites shall not be included when the remuneration is paid under Section II of Part II of Schedule V:

- I. Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961.
- II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- III. Encashment of leave as per rules of the Company.

RESOLVED FURTHER that approval of shareholders be and is hereby accorded for appointment of Sri S V Arumugam as a Managing Director, in terms of Section 196(3) of the Companies Act, 2013, who attains age of 70 years during the currency of this appointment.

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

RESOLVED that in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby accorded for continuation of present term of Directorship of Sri K N V Ramani, (DIN 00007931) as a Non-Executive Independent Director, who has attained the age of 75 years.

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

RESOLVED that in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby accorded for continuation of present term of Directorship of Sri S Palaniswami, (DIN 00007901) as a Non-Executive Independent Director, who attains the age of 75 years during the tenure of his present appointment.

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 Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee, the remuneration of Rs. 1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133), as approved by the Board of Directors for conducting the audit of the Cost Records of the Company for the Financial Year ending 31st March 2019 be and is hereby ratified and confirmed.

By Order of the Board

Coimbatore
27th June, 2018

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the commencement of the meeting.
3. A Statement of material facts pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of items 5 to 8 of the Agenda are annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 18.9.2018 to 24.9.2018 (both the days are 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 17.9.2018. 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 17.9.2018.
6. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under section 125 of the Companies Act, 2013 on the respective due dates; Members are requested to note that all shares in respect of which dividend remains unpaid or unclaimed for seven consecutive years or more, are required to be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account.
7. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN Card to the Company or its RTA in the following cases viz., Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares held in Physical form. Shareholders are requested to furnish copy of PAN card for all above mentioned transactions.
8. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory for the listed companies, only Dematerialized securities will be allowed to be transferred except for transmission or transposition of securities.
9. Electronic copy of the Annual Report 2018 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2018 is being sent in the permitted mode.

The members who have not yet registered their e-mail address are requested to register / update their e-mail address in respect of equity shares held by them in Demat form with their respective DP's and in the case of physical form with the RTA.
10. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report 2018 will also be available on the Company's website www.bannarimills.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholder may also send requests to the Company's investor E-mail ID: shares@bannarimills.com.

11. Shareholders, intending to require information about the Financial Statements to be approved at the Meeting, are requested to inform the Company Secretary at least a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
12. All documents referred to in the accompanying Notice and the Statement of material facts shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company. The aforesaid documents are also available at the AGM venue on the date of AGM.
13. Members are requested to bring their copy of the Annual Report along with them to the meeting.
14. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the meeting. Please note that the voting through electronic means is optional for the members.
15. The voting through electronic means will commence on 21.9.2018 at 10.00 a.m and will end on 23.9.2018 at 5.00 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. During the period shareholders' of the Company, holding shares either in physical form or in dematerialised form as on the cut-off date (record date) i.e., on 17.9.2018, may cast their vote electronically.
16. The Company has appointed Mr R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.
17. **The instructions for shareholders voting electronically are as under :**

Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

- i. Visit the e-voting system of LIPL. Open web browser by typing the following URL:
<https://instavote.linkintime.co.in>.
- ii. Click on "Login" tab, available under 'Shareholders' section.
- iii. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- iv. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
- v. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB / DOI	<p>Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password :

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE : The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

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

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

- vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
- vii. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour / Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

ix. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

xi. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

❖ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

❖ They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

❖ During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

❖ Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

❖ In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

18. Kindly note that members can opt for only one mode of voting i.e., either by voting at the venue or through remote e-voting. The Members attending the meeting, who have not already cast their vote thro remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote thro remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the venue.

19. 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.

20. The Route Map to the Venue of the Annual General Meeting is attached to the Proxy Form / Attendance Slip.

STATEMENT OF MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM 5

The present term of office of Sri S V Arumugam, Managing Director of the Company expires on 26.6.2018. He is associated with the Textile Industry for about 33 years. Under his stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed companies in the Textile Industry. Considering the duties and responsibilities entrusted to him and the commendable performance achieved by the Company during his tenure of office, the Board of Directors have at their meeting held on 30.5.2018, subject to approval of members of the Company re-appointed Sri S V Arumugam as Managing Director and also to fix the remuneration payable to him, for a further period of 5 years with effect from 27.6.2018.

Sri S V Arumugam is also the Managing Director of Young Brand Apparel Private Limited, a subsidiary of the Company.

The aforesaid re-appointment and payment of remuneration were recommended by the Nomination and Remuneration Committee at its meeting held on 26.5.2018.

Further information about the appointee as required to be furnished under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed.

A copy of memorandum setting the terms and conditions of appointment of Managing Director is available at the Registered Office of the Company during business hours for inspection of members.

Approval of shareholders by Special Resolution is required for appointment of Sri S V Arumugam as Managing Director, pursuant to Section 196 (3) of the Companies Act, 2013, who attains the age of 70 years during the currency of this appointment. The Board recommended his appointment for approval of shareholders in compliance of Section 196 (3) of the Companies Act, 2013, considering his guidance and experience which would be important for the growth of the Company.

Further the Board of Directors have recommended for payment of minimum remuneration in case of loss or inadequacy of profits for a period of first 3 years of his tenure. The required information under Schedule V is attached to this statement.

The Board of Directors recommend the Special Resolution set out in this item of the notice for approval of members.

Information pursuant to Clause (iv) of Section II of Schedule V is as follows :

S. No.	Name of the Appointee - Sri S V Arumugam									
I	General Information									
	1) Nature of industry	Textile Manufacturing								
	2) Date or expected date of commencement of commercial production	Not applicable, existing Company.								
	3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable								
	4) Financial performance based on given indicators	Financial Year 2017-18 (Rs. in Lakhs) Gross Revenue: 89783.72 Profit after Tax: 733.98 Rate of Dividend: 16% Earnings Per share:Rs.4.66								
	5) Foreign investments or collaborators, if any.	The Company has not made any foreign investments or collaborators.								
II	Information about the appointee :									
	1) Background details	Sri S V Arumugam, holds B.Sc., degree and is a qualified CA. He is associated with the Textile Industry for about 33 years. Sri S V Arumugam occupies the position of Managing Director in the Company since 2005. Under his stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed companies in the Textile Industry.								
	2) Past remuneration	<table><tr><th>Year</th><th>Rs.</th></tr><tr><td>2016-17</td><td>2,43,92,601</td></tr><tr><td>2015-16</td><td>2,32,15,543</td></tr><tr><td>2014-15</td><td>91,59,457</td></tr></table>	Year	Rs.	2016-17	2,43,92,601	2015-16	2,32,15,543	2014-15	91,59,457
Year	Rs.									
2016-17	2,43,92,601									
2015-16	2,32,15,543									
2014-15	91,59,457									
	3) Recognition or awards	Past Chairman of Southern India Mills Association and Confederation of Indian Textile Industry and Vice Chairman of Indian Wind Power Association.								
	4) Job profile and his suitability	He is the Managing Director of the Company and devotes whole time attention to the management of the day to day affairs of the Company subject to superintendence and guidance of Board of Directors.								

<p>5) Remuneration proposed</p>	<p>REMUNERATION: 10% (Ten percent) of the Net Profits of the Company computed under the relevant provisions of the Companies Act, 2013, as overall remuneration, paid in the following manner:</p> <ul style="list-style-type: none"> a) Salary : Rs. 5,00,000/- (Rupees Five Lakhs only) per month. b) Perquisites : An amount not exceeding annual Salary. c) Commission: Balance of overall remuneration remaining after payment of the above Salary and Perquisites at the end of each financial Year. <p>MINIMUM REMUNERATION</p> <p>In the absence or inadequacy of profits in any financial year, the remuneration to Sri S V Arumugam, Managing Director (DIN 00002458) shall be governed by the limits prescribed under Section II of the Part II of Schedule V of the Companies Act, 2013. It is further provided that this provision relating to payment of Minimum remuneration is limited to the first three years of appointment of Managing Director and that the following perquisites shall not be included when the remuneration is paid under Section II of Part II of Schedule V:</p> <ul style="list-style-type: none"> I. Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961. II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service. III. Encashment of leave as per rules of the Company.
<p>6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</p>	<p>Proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized business.</p>
<p>7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.</p>	<p>Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director.</p>

III	Other information :	
	1) Reasons of loss or inadequate profits	N A
	2) Steps taken or proposed to be taken for improvement	N A
	3) Expected increase in productivity and profits in measurable terms.	N A

Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment / re-appointment.

Name	Sri S V Arumugam
Age	69 Years
Qualification	B.Sc., ACA
Experience	He has more than 33 years of experience in Textile Industry
Terms and conditions of appointment or re-appointment	Terms of Appointment for 5 years with effect from 27.6.2018 to 26.6.2023
Last drawn remuneration	Rs. 2,43,92,601
Date of first appointment on the Board	27.6.2005
No.of shares held	168017
Relationship with Directors, Managers and KMP	NIL
No.of Board Meetings attended during 2017-2018	6 out of 6 meetings held.
Other Directorship	Annamallai Infrastructures Limited Bannari Amman Flour Mill Limited Bannari Amman Food Products Limited Sakthi Murugan Transports Limited Shiva Taxyarn Limited Shiva Mills Limited Anamallais Agencies Private Limited Anamallais Automobiles Private Limited Anamallais Motors Private Limited Young Brand Apparel Private Limited Bannari Techno Park Private Limited Murugan Enterprise Private Limited Senthil Infrastructure Private Limited Vedanayagam Enterprises Private Limited Abirami Amman Mills Private Limited Accel Apparels Private Limited Bannari Amman Logistics Private Limited Bannari Amman Properties Private Limited
Member of Committee	Stakeholders Relationship Committee - Member
Chairman/Member of the Committees of the Boards of other Companies	Shiva Taxyarn Limited Stakeholders Relationship Committee - Member