



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 27th 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 September, 2017 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, 2017, 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:

RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Bangalore (Firm Registration No: 117366W/W-100018) be and are hereby appointed as Auditors of the Company, to hold the office from the conclusion of this 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors be and are hereby authorized to fix their remuneration.

SPECIAL BUSINESS

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 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 ₹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 2018 be and is hereby ratified and confirmed.

Coimbatore
Date : 24.8.2017

By Order of the Board
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. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of item 5 of the Agenda is annexed hereto.
4. Previous year figures are given in brackets for the purpose of comparison.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 19.9.2017 to 25.9.2017 (both the days are inclusive).
6. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 18.9.2017. 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 18.9.2017.
7. 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; upon such transfer, no claim shall lie against the Company for such unclaimed dividend.
8. Members are requested to bring their copy of the Annual Report along with them to the meeting.
9. 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 a meeting. Please note that the voting through electronic means is optional for the Members.
10. The voting through electronic means will commence on 22.9.2017 at 10.00 A.M. and will end on 24.9.2017 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.
11. 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.
12. The instructions for shareholders voting electronically are as under:
 - i) The voting period begins on 22.9.2017 at 10.00 A.M. and ends on 24.9.2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. on 18.9.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - iv) Click on Shareholders.
 - v) 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.
 - vi) Next enter the Image Verification as displayed and Click on Login.
 - vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
 - viii) 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) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- ix) After entering these details appropriately, click on "SUBMIT" tab.

- x) Members holding shares in physical form will then directly reach 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.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant BANNARI AMMAN SPINNING MILLS LIMITED on which you choose to vote.
- xiii) 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.
- xiv) Click on "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) 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.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxi) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
13. 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 through 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.
14. 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.
15. The Route Map to the Venue of the Annual General Meeting is attached to the Proxy Form/Attendance Slip.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2018.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March 2018, as set out in the resolution.

Necessary Ordinary Resolution is placed before the Members for their approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.5.

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

Coimbatore

Date : 24.8.2017

ANNEXURE TO THE NOTICE
RE-APPOINTMENT OF DIRECTOR

A brief resume in respect of Director seeking re-appointment is given below in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

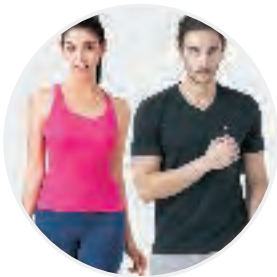
| | | |
|--|---|--|
| Name | : | Sri S V Arumugam (DIN 00002458) |
| Age | : | 68 years |
| Qualification | : | B.Sc., ACA |
| Date of Appointment | : | 27.5.2005 |
| Experience | : | He has more than 32 years of experience in Textile Industry |
| Other Directorships | : | Annamallai Infrastructures Limited Bannari Amman Flour Mill Limited Bannari Amman Food Products Limited Sakthi Murugan Transports Limited Shiva Taxyarn Limited STYL Textile Ventures 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 Bannai Amman Properties Private Limited |
| Member of Committee | : | Stakeholders Relationship Committee - Member |
| Member of Committees in other Public Limited Companies | : | Shiva Taxyarn Limited Stakeholders Relationship Committee - Member |
| Number of Shares held in the Company | : | 1,68,017 |
| Relationship with other Directors | : | Nil |

Coimbatore
Date : 24.8.2017

By Order of the Board
S V ARUMUGAM
Chairman & Managing Director
DIN 00002458



BANNARI AMMAN SPINNING MILLS LTD



27th
ANNUAL
REPORT
2017



**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 |
| Smt S Sihamani | - | Director |

CHIEF EXECUTIVE OFFICER

Sri A Senthil

COMPANY SECRETARY

Sri N Krishnaraj

CHIEF FINANCIAL OFFICER

Sri C S Balakumar

AUDITORS

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

INTERNAL AUDITORS

M/s B M & Associates
Chartered Accountants
Coimbatore - 641 014

COST AUDITOR

Sri M Nagarajan
Cost Auditor
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 Maharashtra
Indian Bank
Allahabad Bank
Kotak Mahindra Bank
Bank of Bahrain and Kuwait B.S.C.
HDFC Bank Ltd.

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report together with audited accounts of the Company for the year ended 31st March, 2017.

FINANCIAL RESULTS :

(₹ in Lakhs)

| | 2016-2017 | 2015-2016 |
|--|------------------|------------------|
| Profit before Depreciation | 5465.49 | 5653.56 |
| Less: Depreciation | 3023.84 | 2880.71 |
| Less : Taxes | 459.06 | 917.81 |
| Less : Extra Ordinary Item (Net of Tax Expenses) | - | - |
| Profit after Tax | 1982.59 | 1855.03 |
| Surplus brought forward from last year | 2089.95 | 1538.31 |
| Amount available for appropriation | 4072.54 | 3393.34 |
| Appropriations: | | |
| Provision for Equity Dividend | - | 252.07 |
| Provision for Tax on Dividend | - | 51.31 |
| Transfer to General Reserve | 1000.00 | 1000.00 |
| Surplus carried over to Balance Sheet | 3072.54 | 2089.95 |
| Total | 4072.54 | 3393.34 |

DIVIDEND

Your Directors are glad to recommend payment of dividend of ₹1.80/- per equity share of ₹10/- each to the equity shareholders @ 18% of the paid up capital.

REVIEW OF OPERATIONS

During the year under review, the overall turnover of the company increased by 13.35% when compared to the previous year on account of higher sales realization. The unit wise performance of the company is furnished below:

Spinning Division

During the year under review, the Spinning Mills produced 28173.57 tonnes (27108.36 tonnes) inclusive of purchased quantity 2148.01 tonnes (2570.55 tonnes) of Yarn and sold 23504.00 tonnes (25144.14 tonnes) of Yarn.



The sales include 11006.80 tonnes (12080.68 tonnes) by way of Export. The total yarn sales of this division amounted to ₹49587.71 Lakhs (₹50170.72 Lakhs) of which export sales amounted to ₹22715.09 Lakhs (₹23975.03 Lakhs) constituting 45.81% (47.79%) of the total yarn sales.

Weaving Division

The Weaving Division specializes in manufacturing wider-width cotton fabric. During the year under review, 117.39 Lakh Metres (88.09 Lakh Metres) of Fabric were produced and 112.50 Lakh Metres (91.20 Lakh Metres) of Fabric were sold.

Knitting Division

During the year under review, 6515.43 tonnes (5165.75 tonnes) of Knitted fabric were produced and 6341.31 tonnes (5092.95 tonnes) were sold. The total sales of this division amounts to ₹12291.71 Lakhs (₹10580.38 Lakhs) of which export sales amounted to ₹6649.90 Lakhs (₹2845.66 Lakhs).

Processing and Technical Textiles Division

During the year under review, 2967.82 tonnes (1655.67 tonnes) of fabric were processed and the total processing charges of this division amounts to ₹1166.00 Lakhs (₹1393.58 Lakhs) and 1236.55 tonnes (756.39 tonnes) of fabric were produced and 1137.57 tonnes (776.21 tonnes) of fabric were sold. The total fabric sales of this division amounts to ₹4711.83 Lakhs (₹3034.86 Lakhs).

Garment Division

During the year under review, ₹14.93 Lakhs (₹12.86 Lakhs) pieces of Garments were produced and sold 13.58 Lakhs (10.19 Lakhs) pieces. The total sales of this division amounts to ₹2704.85 Lakhs (₹3303.77 Lakhs) of which export sales amounted to ₹2611.12 Lakhs (₹3303.77 Lakhs).

Retail Division

The company has ventured into Retail Marketing under the brand name “BITZ” both innerwear and Garments catering to the need of kids and women.

Wind Mill Division

The company has 4 windmills of 1250 KW each totaling 5 MW in Radhapuram Taluk, Tirunelveli District, Tamilnadu, 25 Nos windmills, each of 800 KW capacity totaling 20 MW capacity in Dharapuram Taluk, Tirupur District and Palani Taluk, Dindigul District, Tamilnadu and 3 Windmills of 1650 KW each in Kongal nagaram, Udumalpet Taluk, Tirupur District, Tamilnadu. The total installed capacity of Windmills is 29.95 MW and the whole of the power generated is captively consumed by the Spinning Units and Weaving Unit.

The windmills produced 583.71 Lakh units of power as against 343.38 Lakh units produced in the last year.



PROSPECTS FOR THE CURRENT YEAR

The yarn production in Spinning units is proposed to be increased to 90 tonnes per day from the existing 75 tonnes per day by installing additional machinery in Preparatory and Autoconer sections without any increase in existing spindleage. Work on the project has already begun and is likely to be completed in the first quarter of the current year. It is expected that the increased production coupled with better product mix will lead to improved Profitability of the spinning units in the ensuing years. The contribution from Windmills on overall performance of the textile mills is dependent on availability of Wind of adequate velocity and during the current year also TANGEDCO has committed to evacuate the wind power with minimum back out.

The new Garment unit which has become operational during the last financial year has stabilized and it is expected to contribute to the performance of the Company in a significant way during the current year. The Retail division of the Company set up under the brand name “**BITZ**” has commenced operations and will be slowly expanded to Tier I & II cities in the coming years as the demand for Apparel products is set to increase due to changing consumer preference.

The other divisions of the Company viz. Weaving, Home Textiles, Knitting and Processing have stabilized their operations and taking into consideration the above initiatives taken by the Company in Spinning, Garment & Retail divisions, the overall performance of the Company is expected to improve during the current year.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the Financial position of the Company, subsequent to the end of the Financial Year.

PUBLIC DEPOSITS

The company has no public deposits outstanding at the beginning of the year and, the Company has not accepted any deposits within the meaning of provisions of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

CORPORATE GOVERNANCE

In line with requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

A separate section is given on Corporate Governance, Management Discussion and Analysis along with a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on Financial Year Ended on 31st March, 2017, pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 and forming part of the report, in Form MGT - 9 is enclosed as **Annexure - I**.