



## BANNARI AMMAN SPINNING MILLS LTD

Regd. Office. 252, Mettupalayam Road, Coimbatore - 641043  
Phone: 0422- 2435555, Website: [www.bannarimills.com](http://www.bannarimills.com),  
e-mail: [shares@bannarimills.com](mailto:shares@bannarimills.com) CIN: L17111TZ1989PLC002476

### NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of the Company will be held on Monday the 27<sup>th</sup> September, 2021 at 11.00 AM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) 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 31<sup>st</sup> March, 2021, the reports of the Board of Directors' and the Auditors thereon;
2. 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.

#### SPECIAL BUSINESS

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

**RESOLVED that** in partial modification of earlier resolution passed in this regard the approval of the Shareholders be and is hereby accorded the following Minimum Remuneration be paid to Sri SV Arumugam, Managing Director (DIN 00002458) for the remaining period of his office from 28.6.2021 to 26.6.2023:

#### MINIMUM REMUNERATION:

- a. BASIC SALARY : Rs.5,00,000/- (Rupees Five Lakhs only) per month;
- b. ALLOWANCES : An amount not exceeding annual Basic Salary ;
- c. PERQUISITES (not included in the above remuneration):
  - I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961.
  - II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

**RESOLVED FURTHER** that there shall be no other changes in the terms and conditions of appointment of the Managing Director during the current tenure of office, except the provision for Minimum Remuneration being made for the remaining period of his office from 28.6.2021 to 26.6.2023.

**RESOLVED FURTHER** that the aforesaid remuneration is payable notwithstanding the situation where the Company has no profits or its profits are inadequate during the relevant financial year.

**4. 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 Sadhasivam, (DIN 00610037) as a Non-Executive Independent Director, who attains the age of 75 years during the tenure of his present appointment.

**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 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 31<sup>st</sup> March, 2022 be and is hereby ratified and confirmed.

**By order of the Board**

Coimbatore  
23<sup>rd</sup> July, 2021

**S V ARUMUGAM**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN 00002458**

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

### **ITEM 3**

Sri S V Arumugam (DIN 00002458) was appointed as a Managing Director of the Company for a period of five years with effect from 27.6.2018 and his tenure of office ends on 26.6.2023. The Board of Directors have proposed to revise the remuneration payable to Sri S V Arumugam after considering the following grounds.

Sri S V Arumugam was appointed as Managing Director of the Company for a period of Five (5) years w.e.f 27.6.2018, after getting the required approvals. He was eligible for minimum remuneration for a period of 3 years commencing from 27.6.2018, in the absence or inadequacy of profits. The remuneration package was a fixed one and without any time-scale increment during the said period of 3 years. As per present resolution of Shareholders, he is eligible for remuneration @ 10% of the net profits of the Company for the remaining period of two (2) years upto 26.6.2023.

The services rendered by Sri S V Arumugam, for the sustainment and development of the Company over the tenure of Office particularly during the difficulties in COVID-19 pandemic periods by his dedicated micro management. His leadership and understanding of the basics of the business have been instrumental in the development of the Company over the years.

The Board of Directors opined that his continued association would be beneficial for the future growth of the Company also.

As per the amended provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013, a managerial remuneration may be paid without any ceiling limit with the approval of Shareholders by way of Special Resolution.

Based on the aforesaid facts, considering the progress made by the Company under his dynamic leadership and considering the industry benchmarks for the remuneration for similar position, the Board considered and fixed the remuneration payable to him with effect from 26.6.2021, as recommended by Nomination and Remuneration Committee at their meeting held on 31.5.2021.

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 pursuant to Section 196 (3) of the Companies Act, 2013 to Sri S V Arumugam, who attained the age of 70 years. The Board recommended the aforesaid resolution 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.

Necessary Special Resolutions are placed before the members for their approval.

Except Sri S V Arumugam, the appointee, none of the Directors and Key Managerial Personnel of the Company and their relative is concerned or interested financially or otherwise, in the resolution set out at Item No.3.

**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	<b>General Information</b>									
	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 2020-21 (Rs. in Lakhs) Gross Revenue: 86539.78 Profit / (Loss) after Tax: (1055.05) Rate of Dividend: Nil Earnings Per share: (3.35)								
	5) Foreign investments or collaborators, if any	The Company has not made any foreign investments or collaborators								
II	<b>Information about the appointee:</b>									
	1) Background details	Sri S V Arumugam, holds B.Sc., degree and is a qualified Chartered Accountant 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>in Rs</th></tr><tr><td>2020-21</td><td>55,39,600</td></tr><tr><td>2019-20</td><td>60,39,600</td></tr><tr><td>2018-19</td><td>77,58,235</td></tr></table>	Year	in Rs	2020-21	55,39,600	2019-20	60,39,600	2018-19	77,58,235
Year	in Rs									
2020-21	55,39,600									
2019-20	60,39,600									
2018-19	77,58,235									
	3) Recognition or awards	Past Chairman of Southern India Mills Association, 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.								

5) Remuneration proposed	<p><b>MINIMUM REMUNERATION:</b></p> <p><b>a. BASIC SALARY :</b> Rs.5,00,000/- (Rupees Five Lakhs only) per month;</p> <p><b>b. ALLOWANCES:</b> An amount not exceeding annual Basic Salary ;</p> <p><b>c. PERQUISITES</b> (not included in the above remuneration):</p> <ol style="list-style-type: none"> <li>I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961.</li> <li>II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.</li> </ol> <p><b>RESOLVED FURTHER</b> that there shall be no other changes in the terms and conditions of appointment of the Managing Director during the current tenure of office, except the provision for Minimum Remuneration being made for the remaining period of his office from 28.6.2021 to 26.6.2023.</p> <p><b>RESOLVED FURTHER</b> that the aforesaid remuneration is payable notwithstanding the situation where the Company has no profits or its profits are inadequate during the relevant financial year.</p>
6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized business.
7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director

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

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	72 Years
Qualification	B.Sc., ACA
Experience	He has more than 36 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. 55,39,600/-
Date of first appointment on the Board	27.6.2005
No.of shares held	3,36,304 Equity shares of Rs.5/- each
Relationship with Directors, Managers and KMP	NIL
No.of Board Meetings attended during 2020-2021	7 out of 7 meetings held.
Other Directorship	<p>Bannari Amman Flour Mill Private Limited</p> <p>Sakthi Murugan Transports Private Limited</p> <p>Abirami Amman Designs Private Limited</p> <p>Accel Apparels Private Limited</p> <p>Anamallais Agencies Private Limited</p> <p>Anamallais Automobiles Private Limited</p> <p>Anamallais Motors Private Limited</p> <p>Bannari Amman Logistics Private Limited</p> <p>Bannari Amman Properties Private Limited</p> <p>Bannari Amman Retails Private Limited</p> <p>Bannari Amman Trendz Private Limited</p> <p>Murugan Enterprise Private Limited</p> <p>Senthil Infrastructure Private Limited</p> <p>Young Brand Apparel Private Limited</p> <p>State Industries Promotion Corporation of Tamilnadu Limited</p>
Member of Committee	Stakeholders Relationship Committee - Member
Chairman/Member of the Committees of the Boards of other Companies	<p>State Industries Promotion Corporation of Tamilnadu Limited</p> <p>Audit Committee - Member</p>

Except Sri S V Arumugam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

#### **ITEM 4**

Sri K Sadhasivam is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 22.8.2006. He has more than 47 years of experience in the field transportation business. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Sri K Sadhasivam is a member of the Audit Committee, Nomination and Remuneration Committee of the Board of Directors of the Company and Stakeholders Relationship Committee of the Company.

Sri K Sadhasivam, was reappointed as an Independent Director for second term of five consecutive years from 25.8.2019 to 24.8.2024 at the Annual General Meeting held on 19.8.2019. He has more than 47 years of experience in the transport business.

Securities and Exchange Board of India in SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, in Regulation 17 (1A), has mandated vide its notification dt: 9<sup>th</sup> May, 2018, that no Director shall continue the directorship as non-Executive Director who attains the age of 75 years unless a special resolution is passed by the members for this purpose.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri K Sadhasivam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri K Sadhasivam as an Independent Director, for the approval by the shareholders of the Company, who attains the age of 75 years during the tenure of his present appointment.

Such continuation of appointment as Independent Director was recommended by Nomination and Remuneration Committee at their meeting held on 23.7.2021.

Except Sri K Sadhasivam, 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. 4.

#### **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 31<sup>st</sup> March, 2022.

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 31<sup>st</sup> March 2022, as set out in the resolution.

The Board of Directors recommend the Ordinary Resolution as set out in this item of the Notice for approval of members.

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**

Coimbatore  
23<sup>rd</sup> July, 2021

**S V ARUMUGAM**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN 00002458**

Notes:

1. In view of continuing Covid-19 pandemic, Ministry of Corporate Affairs Circular Ref. Nos: 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (permitted the holding of Annual General Meeting through VC/OAVM without the physical presence of the members at the common Venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Annual General Meeting of the members of the Company is being held through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [sharpes1@gmail.com](mailto:sharpes1@gmail.com) with copies marked to the Company at [shares@bannarimills.com](mailto:shares@bannarimills.com) and to its RTA at [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in).
4. Members are requested to submit the questions in advance on the e-mail address [shares@bannarimills.com](mailto:shares@bannarimills.com)
5. As per MCA General Circular No. 20/2020 dated May 5, 2020 dispatching of physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith), such statements shall be sent only by e-mail to the members and hence sending of Annual Report by physical mode has been dispensed with.
6. The members attending the meeting through VC / OAVM shall be reckoned for the purpose of Quorum as stipulated under Section 103 of the Companies Act, 2013.
7. All the resolutions will be passed through the facility of e-voting system only.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of items starting from 3 to 5 of the Agenda are annexed hereto.
9. The register of members and the share Transfer books of the company will remain closed from 21.9.2021 to 27.9.2021 (both days are inclusive)
10. Previous year figures are given in brackets for the purpose of comparison.
11. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection through electronic mode only.
12. 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.



13. The voting through electronic means will commence on 24<sup>th</sup> September 2021 at 10.00 A.M and will end on 26<sup>th</sup> September 2021 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. The persons those who are holding shares as on the cut-off date of 20<sup>th</sup> September, 2021 are only eligible to cast their e-voting.

14. *Registration of email ID and Bank Account details:*

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate the following instructions to be followed:

- (i) Shareholders holding shares in physical mode are requested to communicate their change of postal address (enclose copy of Aadhar Card), e-mail address if any, self-attested copy of PAN Card and bank account details (enclose cancelled Cheque leaf) quoting their folio nos. to the Registrar and Share Transfer Agents M/s. Link Intime India Private Limited, Surya, 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028.
- (ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the e-mail address and bank account details in the demat account as per the process followed and advised by the DP.

15. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website [www.bannarimills.com](http://www.bannarimills.com); websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
16. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
17. The Company has appointed Sri R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.
18. Instructions for e-voting and joining the Annual General Meeting are as follows:
19. **Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9<sup>th</sup> June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> <li>■ If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>■ After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>■ If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>■ Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> <li>■ Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e- Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>■ After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>■ If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a> Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.</li> </ul>