

SRI NACHAMMAI COTTON MILLS LIMITED



34th ANNUAL REPORT 2013 - 2014



SRI NACHAMMAI COTTON MILLS LIMITED

Registered Office: 30, Sugavaneswara Road, Balaji Nagar, SALEM 636 004.
CIN No. L17115TZ1980PLC000916 Phone No. 0427-2331879, Fax No. 0427-2331951
E-mail : sncm@rediffmail.com, Website : www.sncmindia.com

BOARD OF DIRECTORS

Chairman cum Managing Director

Shri P. Palaniappan

Joint Managing Director

Smt. P. Umayal

Directors

Shri A. Annamalai
Smt. RM. Umaiyal
Shri A. Alagappan
Shri Perumal Madhavagopal
Shri PL. Subbiah
Shri S. Ravichandran
Smt. Vasantha

AUDITORS

Messrs. M.S.Jagannathan & Visvanathan
Chartered Accountants, Coimbatore - 641 030

INTERNAL AUDITOR

Shri PL.Arumugam
Chartered Accountants, Salem - 636 004

BANKERS

Indian Overseas Bank
Salem Main Branch, Salem - 636 001

REGISTRAR AND SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
'Subramanian Building'
No. 1, Club House Road, Chennai - 600 002

COMPANY SECRETARY

Miss. Cynthia. S

CHIEF FINANCIAL OFFICER

Shri A. Subramanian

Contents	
	Page No.
Notice of Annual General Meeting	- 02
Directors Report	- 10
Management Discussion and Analysis Report	- 13
Corporate Governance Report and Shareholders Information	- 14
Auditors Report	- 21
Balance Sheet	- 24
Profit and Loss Account	- 26
Significant Accounting Policies	- 27
Notes Forming part of Financial Statements	- 29
Additional Information to Financial Statements	- 36

Contact Details	
<u>Registered Office</u>	30, Sugavaneswara Road Balaji Nagar Salem - 636 004
<u>Mills at</u>	Near Railway Station Chettinad - 630 102 Sivaganga District
<u>Phone Numbers</u>	0427-2331879, 2330847 2330466
<u>Fax</u>	0427 - 2331951
<u>E-mail</u>	sncm@rediffmail.com
<u>Website</u>	www.sncmindia.com



SRI NACHAMMAI COTTON MILLS LIMITED

2

Registered Office: 30, Sugavanewara Road, Balaji Nagar, SALEM 636 004.
CIN No. L17115TZ1980PLC000916 Phone No. 0427-2331879, Fax No. 0427-2331951
E-mail : sncm@rediffmail.com, Website : www.sncmindia.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting will be held on, Wednesday, 10th December, 2014 at 10.15 A.M at Sarathy Classics, 8/3, Park Street, Fairlands, Salem- 636016 to transact the following business. All the Shareholders are requested to attend the same.

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 30th June, 2014, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. RM. Umaiyal (DIN. 02196664), Director who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s),

"RESOLVED THAT pursuant to Section 139 and provisions, if any, of the Companies Act, 2013. (corresponding to Section 224, and other applicable provisions, if any of the Companies Act, 1956) M/S. M.S.Jagannathan & Visvanathan, Chartered Accountants (Registration No. 001209S) be and are hereby re-appointed as Auditors of the Company, to hold office for a period of one year from the conclusion of this Annual General Meeting, till the conclusion of the next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors, plus applicable service tax and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit".

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass the following resolution as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Sri P.Palaniappan (DIN 01577805) as a Chairman Cum Managing Director of the Company, for a period of 5 (five) consecutive years with effect from 19.12.2014 to 18.12.2019 on the following remuneration, perquisites and other terms and conditions as recommended by Nomination and Remuneration Committee".

I Salary

Rs. 1,25,000/- p.m (Rupees One Lakh and Twenty Five Thousand only)

II Commission

Commission computed on the basis of 5% of the net profit of the company as reduced by their aggregate remuneration by way of salary and perquisites (exclusive of perquisites not to be included in the computation of ceiling on remuneration in Section II of Part II of Schedule V).

III Perquisites

- a) The Chairman cum Managing Director shall be eligible to the following perquisites, which are not to be included in the computation of the ceiling on remuneration specified in Section IV of Part II of Schedule V to the Companies Act, 2013.
 - i) Contribution to Provident Fund and Superannuation Fund to the extent these either singly or partly together are not taxable under the Income Tax Act, 1961.
 - ii) Encashment of leave at the end of tenure.

b) Housing

The Chairman cum Managing Director shall be entitled to house rent allowance subject to the ceilings. Sixty percent of the salary, over and above ten percent payable by the Chairman cum Managing Director.

c) Gas, Electricity, Water and Furnishings

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Act, 1961. This shall, however be subject to a ceiling of 10% of the salary of the Chairman cum Managing Director.

d) Medical Reimbursement

Medical expenses incurred for self and family subject to a ceiling of one month's salary in a year.

e) Leave Travel Concession

For self and family once in a year incurred in accordance with the rules of the Company.

f) Club Fees

Fees for clubs, subject to a maximum of two clubs, excluding admission and life membership fees.

g) Personal Accident Insurance

Premium not to exceed Rs. 10,000/-per annum.



h) Car

Car with driver for use on Company's business and telephone at residence. Personal long distance calls and use of car for private purpose shall be billed by the Company.

i) Other terms and Conditions:

- (a) The salary, commission and perquisites shall be subject to the overall ceiling under Sections 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013.
- (b) In the event of Loss or inadequacy of profits in any financial year during the tenure of Chairman cum Managing Director, he shall be paid the salary and perquisites as specified above as the minimum remuneration, in terms of the provisions of Schedule V to the Companies Act, 2013 as modified from time to time and subject further to the perquisites for the purpose of ceiling being reckoned exclusive of the specified perquisites in Section IV of Part II as aforesaid.

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Smt. P.Umayal (DIN 00110260) as Joint Managing Director of the Company, for a period of 5 (five) consecutive years with effect from 19.12.2014 to 18.12.2019 on the following remuneration, perquisites and other terms and conditions as recommended by Nomination and Remuneration Committee".

I Salary

Rs. 1,25,000/-p.m (Rupees One Lakh and Twenty five thousand only).

II Commission

Commission computed on the basis of 5% of the net profit of the Company as reduced by their aggregate remuneration by way of salary and perquisites (exclusive of perquisites not to be included in the computation of ceiling on remuneration in Section II of Part II of Schedule V).

III Perquisites

- a) The Joint Managing Director shall be eligible to the following perquisites, which are not to be included in the computation of the ceiling on remuneration specified in Section IV of Part II of Schedule V to the Companies Act, 2013.

- i) Contribution to Provident Fund and Superannuation Fund to the extent these either singly or partly together are not taxable under the Income Tax Act, 1961.

- ii) Encashment of leave at the end of tenure.

b) Housing

The Joint Managing Director shall be entitled to house rent allowance subject to the ceilings. Sixty percent of the salary, over and above ten percent payable by the Joint Managing Director.

c) Gas, Electricity, Water and Furnishings

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Act, 1961. This shall, however, be subject to a ceiling of 10% of the salary of the Joint Managing Director.

d) Medical Reimbursement

Medical expenses incurred for self and family subject to a ceiling of one month's salary in a year.

e) Leave travel Concession

For self and family once in a year incurred in accordance with the rules of the Company.

f) Club Fees

Fees for clubs, subject to a maximum of two clubs, excluding admission and life membership fees.

g) Personal Accident Insurance

Premium not to exceed Rs. 10,000/- per annum.

h) Car

Car with driver for use on Company's business and telephone at residence. Personal long distance calls and use of car for private purpose shall be billed by the Company.

i) Other terms and Conditions

- (a) The salary, commission and perquisites shall be subject to the overall ceiling under Sections 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013.
- (b) In the event of Loss or inadequacy of profits in any financial year during the tenure of Joint Managing Director, she shall be paid the salary and perquisites as specified above as the minimum remuneration, in terms of the provisions of Schedule V to the Companies Act, 2013 as modified from time to time and subject further to the perquisites for the purpose of ceiling being reckoned exclusive of the specified perquisites in Section IV of Part II as aforesaid.



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

RESOLVED that pursuant to Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, **Mr. PL.Subbiah (DIN 02131140)**, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from December 10th, 2014 to December 09th, 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 Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, **Mr. Perumal Madhavagopal (DIN 00363963)**, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from December 10th, 2014 to December 09th, 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 Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, **Mr. A.Alagappan (DIN 00363600)**, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from December 10th, 2014 to December 09th, 2019.

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

RESOLVED that pursuant to Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, **Mr. S.Ravichandran. (DIN 00759455)**, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for

independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from December 10th, 2014 to December 09th, 2019.

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

RESOLVED that pursuant to Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, **Mrs. Shantha Radhakrishnan (DIN 06976554)**, a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from December 10th, 2014 to December 09th, 2019.

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

RESOLVED that pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mrs.Vasantha (DIN 00627405)** who was appointed as an Additional director of the Company by the Board of Directors with effect from 21st August, 2014, and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as a Director with effect from December 10th, 2014 and is liable to retire by rotation.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote 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 fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.



2. The Register of Members and Share Transfer books of the Company shall remain closed from **4th December, 2014 to 10th December 2014** (both days inclusive).
3. Information as required under Clause 49 of the Listing Agreement in respect of re-appointment of Directors are provided in the Annexure to the Notice.
4. Members holding shares in Physical form are requested to intimate immediately, any changes in their address to the Company's Share Transfer Agent, M/S. Cameo Corporate Services Limited., 'Subramanian Building', No.1 Club House Road, Chennai - 600 002 and members holding shares in dematerialisation form may inform the same to their respective Depository Participant.
5. Members who hold shares in physical form in multiple folios and/or in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agents, for consolidation into a single folio.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Account (s). Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.
7. Copies of the Annual Report 2014, the Notice of the 34th Annual General Meeting of the company and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by permitted mode.
8. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report 2014 will be available on the Company's website, **www.sncmindia.com**. 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. Members who require communication, or have any other queries, may write to us at: **sncm@gmail.com**
9. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve documents in electronic form.
10. Any member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, to so as to reach her atleast 7 days before the meeting, so that the information required can be provided.
11. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members facility to exercise their right to vote at the Annual General Meeting by Electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, a postal ballot Form is annexed, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. A member desiring to exercise vote by postal ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr.M.R.L.Narasimha, Practising Company Secretary, C/O. Sri Nachammai Cotton Mills Limited, Salem so as to reach him on or before **3rd December, 2014 by 5.00 p.m.** Any Ballot Form received after the said date shall be treated as if the reply from the members has not been received. Kindly note that members can opt for only one mode of voting i.e., either by postal ballot or e-voting. If members are opting for e-voting then do not vote by postal ballot or vice versa.

However, in case of Members casting their vote by both postal ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

The instructions for members for voting electronically are as under:- In case of members receiving e-mail:

The voting period begins on **1st December, 2014 (9:00 a.m) and ends on 3rd December, 2014 (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 of **31st October, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, then the shareholder shall not be allowed to change it subsequently.

 - i) Log on to the e-voting website **www.evotingindia.com**.
 - ii) Click on "Shareholders" tab.
 - iii) Now Select "Sri Nachammai Cotton Mills Limited " from the drop down menu and click on "SUBMIT".

- a) Now enter your User ID.
 - i) CDSL : 16 digits beneficiary ID.
 - ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- b) Next enter the Image verification as displayed and click on Login.
- iv) 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. If you are a first time user follow the steps given below.
- v) Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and 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> <p>* 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 8 Digits of the sequence number in the PAN field.</p> <p>* In case the sequence 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. Sequence Number has been provided as Sl.no. in the address label.</p> <p>Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>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.</p>

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

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 on resolutions of any other company in 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.

- vi) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice of AGM
- vii) Click on the EVSN of "Sri Nachammai Cotton Mills Limited" on which you choose to vote.

- viii) 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
- ix) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- x) 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.
- xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xii) You can also take a print out of the voting done by you by clicking on "Click here to print" option on the voting page.
- xiii) If Demat account holder has forgotten the password then Enter User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xiv) Note for Institutional Shareholders

- * Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log in to <https://www.evotingindia.co.in> 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 they have to create a compliance user should be created who 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.

In case of members receiving the Physical copy:

- A. Please follow all steps from sl. No (i) to (xiv) above to cast vote.
- B. 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 under help section or write an email to helpdesk.evoting@cdslindia.com
- C. Mr.M.R.L. Narasimha, Company Secretary in Practice, Coimbatore (Membership No. 2851, CP No. 799) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



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

A member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer, which shall be properly sealed.

Members are requested to read the instructions contained on the backside of the Postal Ballot Form and follow the same.

As the company has provided e-voting / Postal Ballot voting in terms of Clause 35B of the Listing Agreement, Members may please note that there will be only one mode of voting either through e-voting or by Postal Ballot. The Scrutinizer will collate the votes cast by e-voting and Postal Ballot to declare the final result for each of the Resolutions forming part of the Notice of Annual General Meeting.

Salem
21st August, 2014

By Order of the Board,
P.Palaniappan,
Chairman cum Managing Director.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

Item Nos. 4 & 5

Sri P.Palaniappan was appointed as Chairman cum Managing Director and Smt. P. Umayal, was appointed as Joint Managing Director for a period of one year with effect from 19.12.2013 by the Board of Directors at their Meeting held on 22.08.2013 and their period of tenure expires on 18.12.2014.

As recommended by the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 21.08.2014 re-appointed them as Chairman cum Managing Director and Joint Managing Director respectively for a period of Five (5) consecutive years with effect from 19.12.2014 to 18.12.2019 on the same remuneration and perquisites and other terms and conditions as set out in the resolutions.

Sri P. Palaniappan has rich experience in the varied fields of technical, financial, marketing and cotton purchase management.

Smt. P. Umayal has rich experience in cotton selection, procurement and purchase and overall administration of the Company. Their experience will be highly beneficial to the Company.

The proposed re-appointment, remuneration and perquisites are within the limits prescribed in the Schedule V of the Companies Act, 2013 and require the approval of the Shareholders as per the provisions of the Companies Act, 2013. Accordingly, the resolution set out in item nos. 4 & 5 are recommended by the Nomination and Remuneration Committee and the Board of Directors for approval of this General Meeting.

Sri P.Palaniappan and Smt. P. Umayal are concerned or interested in the above re-appointment as it relates to their re-appointment and remuneration and Smt. RM. Umayal is interested being related to Sri P. Palaniappan and Smt. P. Umayal.

ITEM NOS. 6, 7, 8, 9 & 10

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchange, appointed Mr. PL.Subbiah, Mr. Perumal Madhavagopal, Mr. A.Alagappan and Mr. S.Ravichandran and shall appoint Mrs. Shantha Radhakrishnan as Independent Directors, in compliance with the requirements of Clause 49.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1st, 2014, every Listed Public Company is required to have at least one-third of the total number of directors as Independent directors, who are not liable to retire by rotation.

The Audit Committee has recommended the appointment of these directors as Independent Directors from December 10th 2014 to December 9th, 2019. Mr.PL.Subbiah, Mr. Perumal Madhavagopal, Mr. A. Alagappan, Mr. S.Ravichandran and Mrs. Shantha Radhakrishnan, Non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval. The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

ITEM NO. 11

Mrs. Vasantha (Din. 00627405) was appointed as an additional Director by the Board of Directors with effect from 21st August, 2014 to hold office until this Annual General Meeting. The Company has received a notice in writing from one of its member, alongwith a deposit of Rs. 1,00,000/- proposing the candidature of Mrs. Vasantha to be appointed a Director of Company. Hence, the Board has resolved to appoint Mrs. Vasantha to be a Director of the Company with effect from December 10th, 2014.



SRI NACHAMMAL COTTON MILLS LIMITED

8

Profile of the Directors:

1. Mr. PL. Subbiah, Independent Director

Born on 12/04/1956 he completed his B.E. (ECE) in the year 1990 and since then has worked in the electronic industry for about 22 years. He was first recruited as a senior Engineer in Rawmat Electronics - Singapore from 1990-1994 and then underwent training in Ireland and Germany for designing Power transformers and magnetic components and had helped to set up a production unit in Czech Republic. Later in the year 1997-2000, he had held the position of Director - Indian operations in Talema Electronic India Pvt Ltd (Subsidiary of Talema Group - Germany) and as a project manager in the year 2000-2001 in Burr Brown - A unit of Texas Instruments. He was the Managing Director of GT Electronic India Pvt Ltd, Pondicherry during the year 2001-2005 and in Talema Electronic India Pvt Ltd from 2005-2011 respectively. At present, he is the Managing Director of Egston Electronic India Pvt Ltd.

2. Mr. Perumal Madhavagopal, Independent Director

Born on 06/02/1944, he completed his Diploma in Textile Manufacturing in Coimbatore and has a Diploma in Textile Technology from British Institute of Education, London. He is carrying on the Business of Manufacturing of Handloom Cloth and is also a dealer of Gold Thread (Jari) and a Distributor of Electronic Entertainment Equipments.

3. Mr. A. Alagappan, Independent Director

Born on 07/07/1956, he graduated in Business Administration from Madurai University in the year 1978 and thereafter he carried on his family business of coffee Cultivation and Consumer products distribution for more than two decades. He has served as the President of Thanjavur Chamber of Commerce & Industry. At present, he is the Managing trustee of Wisdom Foundation, an educational trust established to impart education to the younger section of the Society and is also the Founder Director of Blossom Public School, Thanjavur and is the Director of Alagu Human Resources Development Enterprise.

4. Mr. S. Ravichandran, Independent Director

Born on 23/01/1946 he is a graduate in Chemical Engineering and a post graduate in Business Administration with well over 40 years of professional experience. He has been associated with Textile Industry since 1979 as a distributor of Textile machinery accessories.

5. Mrs. Shantha Radhakrishnan, Independent Director

Born on 13/08/1947, she is a Doctor by profession holding a degree in Medicine (M.B.B.S) and has completed DCH in London, having 35 years of professional experience.

The Company has received notices in writing along with a deposit of Rs.1,00,000/- each from members under the provisions of Section 160 of the Act, proposing the candidature of Mr. PL. Subbiah, Mr. Perumal Madhavagopal, Mr. A. Alagappan, Mr. S. Ravichandran and Mrs. Shantha Radhakrishnan as Directors. In the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in the Act and rules made there under and they are independent of the Management.

None of the Directors other than Mr. PL. Subbiah, Mr. Perumal Madhavagopal, Mr. A. Alagappan, Mr. S. Ravichandran and Mrs. Shantha Radhakrishnan are interested in the resolutions as set out in the items nos. 6, 7, 8, 9 & 10.

Salem
21st August, 2014

By Order of the Board,
P. Palaniappan,
Chairman cum Managing Director.

Details of Directors seeking appointment/and re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement

1. Name	: Shri Perumal Madhavagopal
DIN No.	: 00363963
Date of Birth	: 06.02.1944
Nationality	: Indian
DOA on the Board	: 28.01.2001
Relation with other Director	: None
Qualification	: LTM
Experience	: 44 Years
No. of Shares held	: 100
List of Directorships held in other Companies	: Supreme Yarn Spinners Limited Sree Rajendra Mills Limited
Chairman/Member of the Committees of the Board of other Companies in which he / she is Director	: Audit Committee, Nomination and Remuneration Committee, Share Transfer Committee and Stake holders Grievance Committee



SRI NACHAMMAI COTTON MILLS LIMITED

9

2. Name : **A. Alagappan**
DIN No. : 00363600
Date of Birth : 07.07.1956
Nationality : Indian
DOA on the Board : 29.09.1996
Relation with other Director : None
Qualification : BBA
Experience : 33 Years
No. of Shares held : 100
List of Directorships held in other Companies : Nil
Chairman/Member of the Committees of the Board of other Companies : Audit Committee, Nomination and Remuneration Committee in which he / she is Director
3. Name : **S. Ravichandran**
DIN No. : 00759455
Date of Birth : 23.01.1946
Nationality : Indian
DOA on the Board : 27.08.2010
Relation with other Director : None
Qualification : B.E., M.B.A.
Experience : 35 Years
No. of Shares held : 8234
List of Directorships held in other Companies : Nil
Chairman/Member of the Committees of the Board of other Companies : Stake holders Grievance Committee, Audit Committee, in which he / she is Nomination and Remuneration Committee and Share Transfer Committee Director
4. Name : **PL. Subbiah**
DIN No. : 02131140
Date of Birth : 12.04.1969
Nationality : Indian
DOA on the Board : 27.08.2010
Relation with other Director : None
Qualification : B.E.
Experience : 20 Years
No. of Shares held : Nil
List of Directorships held in other Companies : Egston Electronics (India) Limited
Chairman/Member of the Committees of the Board of other Companies : Nil in which he / she is Director

5. Name : **RM. Umaiyal**
DIN No. : 02196664
Date of Birth : 21.10.1927
Nationality : Indian
DOA on the Board : 18.08.1982
Relation with other Director : P. Palaniappan - Sister
Qualification : Nil
Experience : 31 Years
No. of Shares held : 1000
List of Directorships held in other Companies : Supreme Yarn Spinners Limited
Chairman/Member of the Committees of the Board of other Companies : Nil in which he / she is Director
6. Name : **Vasanth**
DIN No. : 00627405
Date of Birth : 28.04.1946
Nationality : Indian
DOA on the Board : 21.08.2014
Relation with other Director : None
Qualification : S.S.L.C.
Experience : 25 Years
No. of Shares held : Nil
List of Directorships held in other Companies : Supreme Yarn Spinners Limited
Dermo Chemicals Pvt. Ltd.,
Chairman/Member of the Committees of the Board of other Companies : Nil in which he / she is Director

Salem
21st August, 2014

By Order of the Board,
P.Palaniappan,
Chairman cum Managing Director.