



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

Smt. P. Umayal

Managing Director

Shri P. Palaniappan

Directors

Shri A. Alagappan
Shri Perumal Madhavagopal
Shri PL. Subbiah
Shri S. Ravichandran
Shri A. Annamalai
Smt. Vasanthan
Smt. Shantha Radhakrishnan
Shri A. Arunkumar

AUDITORS

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

INTERNAL AUDITOR

Shri H. Venugopal
Chartered Accountant, Salem - 636 006

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

CHIEF FINANCIAL OFFICER

Shri A. Subramanian

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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
<u>Fax</u>	: 0427 - 2331951
<u>E-mail</u>	: sncm@rediffmail.com
<u>Website</u>	: www.sncmindia.com



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting will be held on Thursday, the 15th day of September, 2016 at 5.00 P.M at Sarathy Classic, 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 Annual Financial Statements including Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss Account and Cash Flow Statement for the period ended (9 months) as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Vasantha (DIN. 00627405), Director who retires by rotation and being eligible, offers herself for re-election.
3. To appoint Auditors and to fix their remuneration and in this regard to pass the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any of the Companies Act, 2013, M/S.M.S.Jagannathan & Visvanathan, Chartered Accountants (Registration No. 001209S) Coimbatore be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. The Board of Directors be and are hereby authorised to fix their remuneration on the recommendation of the Audit Committee".

SPECIAL BUSINESS

4. To consider and if deemed fit to pass the following Resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of Sections 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors Rule, 2014 including any statutory amendments and modifications thereof, for the time being in force, the remuneration payable to Sri V. Balasubramanian, Cost Accountant, Coimbatore having the Membership No.4771 appointed by the Board of Directors to conduct the Audit of the Cost accounting records of the Company for the

Financial Year 2016 -17 amounting to Rs.21,000/- per annum exclusive of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

By Order of the Board,
For Sri Nachammai Cotton Mills Limited,

Place : Salem

Date : 23rd May, 2016.

P.Umayal,
Chairman cum Managing Director,
Din.00110260.

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.
2. 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.
3. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection for the members at the AGM.
4. The Register of Contracts or Arrangements in which Directors are interested, as maintained under Section 189 of the Companies Act, 2013 will be available for inspection for the members at the AGM.
5. The Register of Members and Share Transfer books of the Company shall remain closed from 9th September, 2016 to 15th September, 2016 (both days inclusive).



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6. Details under Regulation 36 of SEBI (Listing Obligations and disclosure Requirements) Regulation, 2015 and clause 1.2.5 of Secretarial Standard (SS-2) in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and forms a part of the notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
7. 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 - 600002 and members holding shares in electronic mode may inform the same to their respective Depository Participant.
8. 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.
9. 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.
10. Copies of the Annual Report 2016, the Notice of the 36th Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form are being sent by permitted mode.
11. Members may also note that the Notice of the 36th Annual General Meeting and the Annual Report 2016 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 business hours on working days. Members who require communication, or have any other queries, may write to us at sncmro@gmail.com.
12. Members who have not so far dematerialized their shares are advised to demat the shares held in physical form which will ensure safety and security for their shares.

13. Members are requested to inform the Company their e-mail ID to facilitate quick response from the Company. Ministry of Corporate Affairs has recognised e-mail communication to share holders as effective and efficient means of communication from the Company and also member's communication to the Company. Members may register their e-mail ID with the Company and also keep the Company informed of any changes in their e-mail ID.

14. A member who needs any clarification on account or operations of the Company shall write to the Chief Financial Officer/Compliance Officer, so as to reach him/her at least 7 days before the meeting, so that the information required can be provided.

15. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2015, the Company is pleased to provide its members, facility to exercise their right to vote at the 36th Annual General Meeting by Electronic means and the business may be transacted through remote e- Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under:

- (i) The e-voting period begins on **12th September, 2016 (9:00 a.m) and ends on 14th September, 2016 (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 **08.09.2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab.
- (iv) Now enter your User ID.
 - a) For CDSL: 16 digits beneficiary ID.
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.



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- (v) Next enter the image verification as displayed and click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below.

For Members holding shares in Demat Form and Physical Form	
PAN	<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/RTA/DP / are requested to use the first two letters of their name and the sequence number in the PAN field. The Sl. No. Printed on your address slip pasted on the Annual Report envelope added with sufficient 0s in between the first two letters of your name and the Sl.No. to fill the ten digit PAN field for this purpose.</p> <p>Example: If your name is Ramesh Kumar with Sl.No. 1 then enter RA00000001 in the "PAN field".</p>
Date of Birth Dividend Bank Details	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both 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)</p>

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

- (x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of "Sri Nachammai Cotton Mills Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xvii) If a Demat account holder has forgotten the login password then Enter User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders, Custodians and Non-individual shareholders.
- * Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log on to www.evoting.com and register themselves as Corporates.
 - * A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e- mailed 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.



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* The list of accounts linked in the login 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.

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

(xx) In case of members receiving the Physical copy.

A. Please follow all steps from Sl. Nos. (i) to (xvi) 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 www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members acquiring shares after the dispatch of the Notice

Any person who acquire shares of the Company and become a member of the Company as on the cut-off date shall taken the above instructions to cast their votes through e-voting process.

VOTING THROUGH POSTAL BALLOT

In terms of Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 those Members, who do not have access to e-voting facility provided by the Company for the AGM in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, may send their assent(FOR) or dissent (AGAINST) in writing on the Postal Ballot Form enclosed in Page no. 67. For details of the Scrutinizer and the steps followed for voting through postal ballot please refer instructions printed overleaf the postal ballot form.

VOTING AT THE VENUE OF THE AGM

- i) The Company also offers the facility for voting through polling paper at the meeting. The Members as on the cut-off date **08.09.2016** attending the AGM are entitled to exercise their voting right at the meeting in case they have not already cast their vote by e-Voting / Postal Ballot.
- ii) Members who have cast their vote by e-Voting/Postal Ballot are also entitled to attend the AGM but they cannot cast vote at the AGM.
- iii) The Chairman will fix the time for voting at the Meeting. Shareholders present in person or by proxy can vote at the meeting.

General Instructions

1. The cut-off date for the purpose of e-voting has been fixed as **08.09.2016**. Members holding shares as on this cut off date should endeavour to cast their vote in any one of the three modes.
2. Voting rights of Shareholders shall be in proportion to their shareholding in the Company as on the cut-off date of **08.09.2016**.
3. In case a Shareholder by inadvertence or otherwise has voted under more than one option, his voting by only one mode shall be taken as final and valid.
4. Mr.M.R.L. Narasimha, Company Secretary in Practice, Coimbatore (Membership No. 2851, CP No. 799) has been appointed as Scrutinizer to scrutinize the e-voting & Postal ballot process in a fair and valid.
5. The Scrutinizer will after the conclusion of voting at the AGM.
 - (i) First count the votes cast through postal ballot.
 - (ii) Then count the votes cast at the Meeting through polling paper.
 - (iii) Thereafter unblock the votes cast through remote e-voting.
 - (iv) All the above will be done in the presence of two witnesses not in the employment of the Company.
 - (v) The Scrutinizer not later than three days of the conclusion of the AGM shall submit a consolidated report of the total votes cast through remote e-voting process, postal ballot and poll cast at the AGM to the Chairman.



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- (vi) The Chairman or a person authorised by him in writing shall declare the result of the voting based on Scrutiniser's Report.
- (vii) Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of AGM.
- (vii) The results declared along with the Scrutiniser's report will be placed on the company's website www.sncmIndia.com and on the website of CDSL www.evoting.cdsi.com immediately after the result is declared and also communicated to BSE.

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

ITEM No.4

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment of Sri V. Balasubramanian, Cost Accountant for the audit of Cost accounting records of the Company pursuant to the Companies (Cost Records and audit) Rules, 2014 for the financial year 2016-17 at a remuneration of Rs.21,000/- per annum excluding the applicable service tax and reimbursement of out of pocket expenses incurred by him in connection with the audit. Board of Directors has accepted the recommendation of the Audit Committee and approved their appointment. As per the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditor as approved by the Board of Directors of the Company shall be ratified by the Shareholders.

The Company has received a Certificate from the Cost Auditor confirming his independence and his willingness to act as the Cost Auditor of the Company.

None of the Directors, Key managerial personnel or their relatives is concerned or interested in the resolution.

By Order of the Board.,
For Sri Nachammai Cotton Mills Limited,

P.Umayal,

Chairman cum Managing Director.

Din.00110260

Place : Salem

Date : 23rd May, 2016.

Details of Director seeking appointment /and re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015

Name	: Smt. Vasantha
DIN No.	: 00627405
Date of Birth & Age	: 28.04.1946 (70 yrs)
Nationality	: Indian
DOA on the Board	: 21.08.2014
Relation with other Director	: None
Qualification	: SSLC
Experience	: 25 Years
No. of Shares held	: Nil

List of Directorships held : Supreme Yam
in other Companies Spinners Limited

Chairman/Member of the
Committees of the Board
of other Companies in
which he / she is Director : Nil



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REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Dear Shareholders,

The Board of Directors of your Company are pleased to present the 36th Annual report on the business of the Company along with summary of financial statements for the period ended 31st March, 2016. The report is prepared in accordance with the provisions of the Companies Act, 2013.

Financial Highlights

During the year under review, performance of your company is as under:

Particulars	31.03.2016 (9 months)	30.06.2015 (12 months)
Profit before finance costs and Depreciation	5,06,11,025	10,38,00,528
Finance costs	(4,39,26,234)	(6,80,78,625)
Depreciation	(3,00,81,041)	(4,17,85,632)
Profit / (Loss) before taxation	(2,33,96,250)	(60,63,729)
Less : Tax expense	24,31,163	16,47,058
Profit / (Loss) after tax	(2,09,65,087)	(44,16,671)

Financial Year

The Company in compliance with Section 2(41) of the Companies Act, 2013 will henceforth have 1st April to 31st March as its Financial year instead of 1st July to 30th June being adopted before and hence the current Financial year is for the period of 9 months commencing 1st July, 2015 and ended on 31st March, 2016.

Dividend

In view of the Losses, no dividend is proposed by the Board of Directors.

Review of Operations

During the 9 months under review, the Company has made a turnover of Rs. 113,54,64,664/-. The Company incurred a loss of Rs. 2,33,96,250/- in the previous 9 months mainly due to uneconomical yarn prices in the domestic market. There was oversupply of yarn both in the domestic and international market. Hence the Company was forced to sell bags at uneconomical prices. Thus, the company had to incur losses.

During the Current year, the Company has bought quality cotton at reasonable prices, the power cost will come down this year due to soaring power from cheaper sources. Other expenses like labour wages, fixed interest and other overheads will reduce as a percentage of turnover, due to increase in production at all departments.

Fixed Deposits

Your Company has not accepted any fixed deposit from public and there are no outstanding dues in respect of thereof.

Details of Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152 of the Companies Act, 2013 Smt. Vasantha retire by rotation and being eligible offers herself for appointment and the resolution is placed before the members for approval.

A brief resume, expertise, shareholding in the company and details of other entities in which the Directors are interested as stipulated under Regulation 36(3)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard is provided in the Notice, attached hereto.

Smt. Vasantha was appointed at the 34th AGM held on 10th December, 2014 and Sri A.Arun Kumar was appointed as Director of the Company at the 35th AGM held on 15th December, 2015 and they are eligible to retire by rotation.



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At the Board Meeting held on 21st August, 2014, Sri P.Painalappan, Chairman cum Managing Director and Smt. P.Umayal, Joint Managing Director of the Company was reappointed for a term of five years from 19.12.2014 to 18.12.2019 and designated as "Key Managerial Personnel" of the Company pursuant to Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014. Company's Code of Conduct applicable to the Board has been adopted by the Board and all Directors of the Company have confirmed compliance with the Code of Conduct.

Sri P.Palaniappan, resigned from Chairman cum Managing Director from the Office of the Board of Directors with effect from 18th November, 2015 and he shall continue to be the Managing Director of the Company.

Smt. P.Umayal shall be appointed as the Chairman of the Board of Directors with effect from 18th November, 2015 and she shall remain as Chairman cum Managing Director of the Company.

Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act, which came into effect from 1st April, 2014, Sri Perumal Madhavagopal, Sri A.Alagappan, Sri S.Ravichandran, Sri PL.Subbiah and Smt. Shantha Radhakrishnan were appointed at the 34th AGM of the Company held on 10th December, 2014 for a term of five consecutive years from 10/12/2014 to 09/12/2019. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. They have submitted a Declaration that each of them meets the criteria of Independent as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

During the year, one separate meeting of Independent Directors was held. All the Independent Directors were present at this meeting. In the said meeting, the Independent Directors assessed the quality, quantity and timeliness of flow of information between the management and the Board and expressed that the Current flow of information and contents were adequate for the Board to effectively perform its duties.

Familiarization Programmes

The Company had conducted various sessions during the financial year to familiarize independent Directors with the Company, their rules, responsibilities in the Company, and the technology and the risk management systems of the Company. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions on above matters.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 184(1) and Rule 9(1) of the Companies Act, 2013.

Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters as provided under Section 173(3) of the Companies Act, 2013 have been outlined in the Corporate Governance Report which forms part of this Report.

Number of Board Meetings and Committee Meetings

During the Financial year 2015-16, 3 (Three) Board Meetings on the following dates – 27.08.2015, 31.10.2015 and 30.01.2016 were held.

Subsidiaries, Joint Ventures and Associates

The Company does not have any Subsidiary, Joint venture or Associate Company.

Corporate Social Responsibility

Pursuant to Section 135 of the Act, the Company does not satisfy the eligibility criteria with regard to networth turnover and net profit. Hence the company is not required to comply with the provisions relating to CSR.



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Material Changes and Commitments affecting the Financial Position of the Company

They have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of financial year (March 31, 2016) to which the financial statements relate and the date of the report.

Adequacy of Internal Financial Controls with Reference to Financial Statements

The Company has in place adequacy internal financial controls with reference to financial statements. During the year under review, such controls, were tested and no reportable material weakness in the design or operation were observed.

Particulars of Loan, Guarantees and Investments under Section 186 – Details of Loan

Sl. No.	Period of making Loan	Details of Lender	Amount in Rs.	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Rate of interest
1	01.07.2015 to 31.03.2016	Supreme Yarn Spinners Limited 30, Sugavaneswara Road, Salem-4	11,725,000/-	Inter Corporate Loan	Repayable on Demand	27.08.2015 31.10.2015 30.01.2016	12%
2	01.07.2015 to 31.03.2016	Raja Yarn Spinners Limited 30, Sugavaneswara Road, Salem-4	51,534,500/-	Inter Corporate Loan	Repayable on Demand	27.08.2015 31.10.2015 30.01.2016	5.5%

Details of Significant & Material orders passed by the Regulations or courts or Tribunal

No Significant and Materials orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

Investments made under Section 186 of the Companies Act, 2013

No investments were made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

Disclosure as required under Section 22 of Sexual Harassment of Workmen at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2015-2016 no complaint was received before the committee.

Management Discussion and Analysis Report

The Report on Management Discussion and Analysis, as per the Regulation 34(1) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange covering industry structure and developments, opportunities and threats, outlook, discussion on financial performance, etc., is contained "Management Discussion and Analysis Report" that forms an integral part of this Report and annexed as **Annexure -1**

Statement showing details of Conservation of Energy, Technology Absorption, Exports and Foreign Exchange earnings and outgo.

The information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is annexed herewith as **Annexure – II**

Corporate Governance

As per the new Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Corporate Governance Report, together with the Certificate from the Company's Auditors confirming the compliance of conditions on Corporate Governance is given in **Annexure-III**



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Extract of Annual Return

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014, in format MGT - 9, for the Financial Year 2015-16 is enclosed with this report - **Annexure -IV**

Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 for the Financial Year 2015-16 is given **AOC - 2 - Annexure - V**.

The Board had devised a Policy on dealing with Related party transactions and the Policy has been uploaded on the Company's website <http://www.sncmindia.com>

Vigil Mechanism/Whistle Blower Policy

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established.

The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.sncmindia.com>.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structures and disciplined approach to risk management, in order to guide decisions on risk related issues.

Audit Committee

Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. Kindly refer to the Section of Corporate Governance, under the head, 'Audit Committee' for matters relating to the composition, meetings, and functions of the Committee. The Board was accepted the Audit Committee recommendations during the year whenever required, hence no disclosure required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by Board.

Risk Management Policy

As per the Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company. All the results and evaluation has been communicated.

Board Evaluation

On the advice of the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors the Company formulated the criteria for the evaluation of the performance of the Board of Directors & its Committees, Independent Directors, Non-Independent Directors, Chairman cum Managing Director and Managing Director. Based on that performance valuation has been undertaken.

Remuneration Policy of the Company

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters as provided under Section 178(3) of the Companies Act, 2013 have been outlined in the Corporate Governance Report which forms part of this Report. The Remuneration details to Directors is given in **Annexure - VI**.

The Remuneration Policy has been uploaded on the website of the Company at <http://www.sncmindia.com>.