

# SRI NACHAMMAI COTTON MILLS LIMITED



**41<sup>ST</sup> ANNUAL REPORT 2020-2021**

## **SRI NACHAMMAI COTTON MILLS LIMITED**

Registered Office: Door No. 181, 'VASANTHAM', 4<sup>th</sup> Cross Street, New Fairlands, Salem 636016

CIN No. L17115TZ1980PLC000916 Phone No. 0427-2330847

E-Mail: [sncm@rediffmail.com](mailto:sncm@rediffmail.com), Website: [www.sncmindia.com](http://www.sncmindia.com)

### **BOARD OF DIRECTORS**

**Chairman cum Managing Director**

**Managing Director**

Non Executive Independent Director

Non Executive Independent Director

Non Executive Independent Director

Non Executive Independent Director

Non Executive Director

Non Executive Director

### **STATUTORY AUDITORS**

### **SECRETARIAL AUDITOR**

### **INTERNAL AUDITOR**

### **CIN**

### **BANKERS**

### **REGISTRAR AND SHARE TRANSFER AGENTS**

### **COMPANY SECRETARY**

### **CHIEF FINANCIAL OFFICER**

**Shri P.Palaniappan**

**Smt P.Umayal**

**Shri A.Alagappan**

**Shri PL.Subbiah**

**Shri S.Ravichandran**

**Smt Sujatha Sivakumar**

**Shri A.Annamalai**

**Smt C.Renuka**

**M/S. V.V. Soundararajan & Co.,**

**Chartered Accountants, Salem – 636 007**

**Mr. M.R.L. Narasimha,**

**Practicing Company Secretary,**

**Coimbatore – 641 038**

**Shri H.Venugopal**

**Chartered Accountants, Salem – 636 006**

**L17115TZ1980PLC000916**

**Indian Overseas Bank**

**Salem Main Branch, Salem – 636 001**

**Cameo Corporate Services Limited**

**'Subramanian Building'**

**No. 1, Club House Road, Chennai – 600 002**

**CS M.Harish**

**Shri A.Subramanian**

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<b>Contact Details</b>	
<u>Registered Office:</u>	Door No. 181, 'VASANTHAM', 4 <sup>th</sup> Cross Street, New Fairlands, Salem – 636016
<u>Mills at</u>	: Near Railway Station Chettinad – 630 102 Sivaganga District
<u>Phone Numbers</u>	: 0427-2330847
<u>E-Mail</u>	: <a href="mailto:sncm@rediffmail.com">sncm@rediffmail.com</a>
<u>Website</u>	: <a href="http://www.sncmindia.com">www.sncmindia.com</a>



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## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 41<sup>ST</sup> Annual General Meeting will be held on Thursday, the 16th day of September, 2021 at 10.45 A.M through video conferencing or other audio visual means to transact the following business. 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, 2021, the Statement of Profit and Loss Account and Cash Flow Statement for the year ended as on that date and the Report of the Board of Directors and Auditors thereon.
2. A.Annamalai (DIN.00625832) Director retires by rotation and being eligible, offers himself for re-election.

## SPECIAL BUSINESS

### 3. Ratification of remuneration of Cost Auditors for the Financial Year 2021-2022

To consider and, if thought fit, to pass with or without modification, 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 or re-enactment thereof for the time being in force, the remuneration payable to Sri B.VENKATESWAR, Cost Accountant, Coimbatore having the Membership No.27622 appointed by the Board of Directors to conduct the Audit of the Cost accounting records of the Company for the Financial Year 2021-2022 amounting to Rs.25,000/- per annum exclusive of GST as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved and ratified".

### 4. To approve the appointment of Smt.C.Renuka (DIN: 02209915) to continue as a Non-Executive Director of the company

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Smt.C.Renuka (DIN: 02209915) be continued as a Non-Executive Non Independent Director of the Company liable to retire by rotation, notwithstanding that on 16th July, 2024 she attains the age of 75 years"

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

Place: Salem

Date: 12<sup>th</sup> August 2021.

**P.Palaniappan,**  
Chairman cum Managing Director,  
Din.01577805.

## Notes:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



## SRI NACHAMMAI COTTON MILLS LIMITED

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sncmindia.com](http://www.sncmindia.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on **13<sup>th</sup> September 2021 (9.00 AM)** and ends on **15<sup>th</sup> September 2021 (5.00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **09<sup>th</sup> September 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- (iv) Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- (v) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (vi) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:



## SRI NACHAMMAI COTTON MILLS LIMITED

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing 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 is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) 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></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. 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 able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) 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. 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>2) 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>3) 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> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 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.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**



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Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders another than individual shareholders holding shares in Demat.
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> <li>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.</li> </ul>

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

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [sncm@rediffmail.com](mailto:sncm@rediffmail.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders- please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



# SRI NACHAMMAI COTTON MILLS LIMITED

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

### ITEM No.3

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration Sri B.Venkateswar, Cost Accountant as Cost Auditor of the Company for audit of Cost Accounts of the Company for the FY 2021-2022. As per the provisions of Section 148 of the Companies Act 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014 with subsequent amendments thereto, remuneration payable to the cost auditor shall be ratified by the Members of the company.

Accordingly, consent of the Members is sought for passing and Ordinary Resolution as set out in this item of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2021-2022.

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.

### ITEM No.4

The Company has received a declaration of independence from Smt. C.Renuka (DIN - 02209915), as per the provisions of the Companies (Amendment) Act, 2017 as well as the SEBI (Listing Obligations and Disclosure Requirements), (Amendment), Regulations, 2018.

In the opinion of the Board, Smt. C.Renuka (DIN - 02209915), fulfils the conditions specified in the Companies Act, 2013 read with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Listing Regulations).

In view of the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, Smt. C.Renuka (DIN - 02209915), attains the age of 75 years on 16th July 2024 as a precautionary measure for the continuation of Smt. C.Renuka (DIN - 02209915), as a Non- Executive Non Independent Director, consent of the Members is required by way of a Special Resolution. Hence the board recommends the members to approve her appointment and continue herself as a Non Executive Non Independent Director of the Company.

A brief profile of Smt. C.Renuka (DIN - 02209915), as required under Regulations 36(3) of the Listing Regulations with the Stock Exchanges, is given in Annexure A to this Explanatory Statement. Having regard to his qualifications, knowledge and rich experience, his appointment on the Board of the Company as a Non Executive Non Independent Director will be in the interest of the Company. Except Smt. C.Renuka (DIN - 02209915), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested (financially or otherwise) in the resolution. Copy of draft letter for appointment of Smt. C.Renuka (DIN - 02209915), as a Non Executive Non Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the company during normal business hours on any working day, excluding Saturday and Sunday. The Board recommends the resolutions for the approval of the Members.

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

Place: Salem

Date: 12<sup>th</sup> August, 2021.

**P.Palaniappan,**  
Chairman cum Managing Director,  
Din.01577805.

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

Name	A.Annamalai	C.Renuka
DIN No.	00625832	02209915
Date of Birth & Age	15.02.1956 (65 years)	16.07.1949 (72 years)
Nationality	Indian	Indian
Date of Appointment on the Board	19.09.1997	30.05.2018
Relation with other Director	Nil	Nil
Qualification	S.S.L.C.	B.A.
Experience	29 Years in Business	Expert in Accounts and Finance
No. of Shares held	3818	548
List of Directorships held in other Companies	Supreme Yarn Spinners Private Limited	Nil
Chairman/Member of the Committees of the Board of other companies in which he/she is Director	Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Share Transfer Committee	Nil





# SRI NACHAMMAI COTTON MILLS LIMITED

## REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Dear Shareholders,

The Board of Directors of your Company is pleased to present the 41<sup>st</sup> Annual Report on the business of the Company along with summary of financial statements for the year ended 31st March, 2021. 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	31.03.2021 (Rs in lakhs)	31.03.2020 (Rs in lakhs)
<b>Profit before finance costs and depreciation</b>	<b>800.09</b>	744.51
Finance costs	<b>494.31</b>	631.67
Depreciation	<b>235.33</b>	239.98
<b>Profit / (loss) before taxation</b>	<b>70.45</b>	(127.14)
Less: Current tax (MAT)	-	-
MAT Credit Entitlement	-	-
Deferred tax	<b>(17.06)</b>	29.97
<b>Profit/(Loss) after tax</b>	<b>53.39</b>	(97.17)
<b>Add: Other comprehensive income</b>		
Remeasurement of post employment benefit obligations	<b>4.49</b>	(11.13)
Gain on fair valuation of investments	<b>0.99</b>	(0.83)
Income tax relating to these items	<b>(1.27)</b>	2.98
Total other comprehensive income for the year	<b>4.21</b>	(8.98)
Total comprehensive income / (loss) for the year	<b>57.60</b>	(106.15)
Earnings per share Basic / Diluted	<b>1.25</b>	(2.26)

### Dividend

The Company is unable to declare any Dividend on account of accumulated losses.

### Review of Operations

During the year, the company has made a turnover of Rs. 15760.82 (in lakhs) as against Rs. 14366.49 (in lakhs) in the previous year. The Company has incurred a profit of Rs.57.60 Lakhs during the current year as compared to Net Loss of Rs.106.15 Lakhs last year.

### Management's Discussion and Analysis

As per the Regulation 34(1) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report on "Management Discussion and Analysis" forms an integral part of Annual Report as **Annexure-I**

### Deposits

Company has not accepted any deposits from public.

### Directors and Key Managerial Personnel

- Pursuant to the provisions of Section 152 of the Companies Act, 2013 Sri A.Annamalai retire by rotation and being eligible offers himself for reappointment and the resolution is placed before the Shareholders for approval. A brief resume, expertise, shareholding in the company and details of other entities in which the Director is 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.
- In view of the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, Smt. C.Renuka (DIN - 02209915), attains the age of 75 years on 16th July 2024 as a precautionary measure for the continuation of Smt. C.Renuka (DIN - 02209915), as a Non- Executive Non Independent Director, consent of the Members is required by way of a Special Resolution. Hence the board recommends the members to apporove her appointment and continue herself as a Non Executive Non Independent Director of the Company.  
A brief resume, expertise, shareholding in the company and details of other entities in which the Director is 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.
- At the Board Meeting held on 21<sup>st</sup> June 2021, Smt.P.Umayal resigned as the Chairman of the Company due to her personal reasons but she continuous to be the Managing Director of the Company. In the same meeting Sri P.Palaniappan was appointed as the Chairman of the Company with his consent by the Board of Directors.



## SRI NACHAMMAI COTTON MILLS LIMITED

- iv) Sri S.Ravichandran, Independent Director of the Company who attained the age of 75 years in January 2021 was approved to continue his tenure to be a Non-Executive Independent Director by passing Special Resolution at the Extra-ordinary General Meeting held on 15<sup>th</sup> July 2021. At the time when he attained the age of 75 years due to the prevailing pandemic situation i.e., increasing COVID cases and some of Directors crossed the age of 70 years did not want to carry a General Meeting. Hence the Board decided to conduct the meeting in the later date with a favorable situation. Hence the meeting was held on 15<sup>th</sup> July 2021 and special resolution was passed in the meeting and the Company complied and filed all the necessary requirements and forms to be filed in this regard.
- v) 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.
- vi) Pursuant to Regulation 34(3) and Schedule V para Clause (10)(i) of SEBI( Listing Obligation and Disclosure Requirements) Regulations, 2015 Certificate of Non Disqualification of Directors is received from the Practicing Company Secretary Sri M.R.L Narasimha is attached as **Annexure-VI**

### Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI LODR.

During the year, the independent Directors were present in meeting of Independent Directors. 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 all the Directors including the Independent Directors with the updates of 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.

### Number of Board Meetings and Committee Meetings

- The Board met four (4) times during the financial year on **29<sup>th</sup> June 2020, 10<sup>th</sup> September 2020, 13<sup>th</sup> November 2020 and 04<sup>th</sup> February 2021.**
- The Audit Committee met four (4) times during the financial year on **29<sup>th</sup> June 2020, 10<sup>th</sup> September 2020, 13<sup>th</sup> November 2020 and 04<sup>th</sup> February 2021.**
- The Stakeholders Relationship Committee met four (4) times during the financial year on **27<sup>th</sup> June 2020, 10<sup>th</sup> September 2020, 13<sup>th</sup> November 2020 and 04<sup>th</sup> February 2021.**
- The Share Transfer Committee met two (2) times during the financial year on **08<sup>th</sup> December 2020 and 30<sup>th</sup> March 2021.**
- The Nomination and Remuneration Committee met one (1) time during the financial year on **10<sup>th</sup> September 2021.**
- The Independent Directors Meeting met one (1) time during the financial year on **04<sup>th</sup> February 2021.**

### Statutory Auditors

The Company's Auditors, M/S.V.V.Soundararajan & CO., Chartered Accountants, Salem hold office for a term of five years (5) commencing from the financial year 2017-2022 till the conclusion of the Annual General Meeting to be held in the year 2022.

The Auditors' Report for the year 2020-2021 does not contain any qualification, reservation or adverse remark. The auditors' report is enclosed with the financial statements in the Annual Report.

### Secretarial Auditor

As required under Section 204 of the Act, and Rules made there under Sri M.R.L. Narasimha, Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the financial year 2020-2021. The Secretarial Audit Report for the financial year 2020-2021 forms part of the Annual Report as **Annexure-VII** to the Board's Report.

### Cost Auditor

Section 148 of the Companies Act, 2013 pertaining to audit of Cost Records is applicable to the Company. Based on the recommendation of the Audit Committee, Sri.B.Venkateswar, Cost Accountant was appointed as Cost Auditor of the Company for the financial year 2021-2022 and the remuneration payable to Cost Auditor is placed before the Shareholders for ratification.

### Internal Auditor

The Company has re-appointed Sri. H. Venugopal as the Internal Auditor of the Company for a further period of one year for the financial year 2021-2022. The scope of work includes review of process for safeguarding the assets of the Company, review of operational efficiency, effectiveness of system and processes and assessing the strength and weaknesses of internal