

**SRI NACHAMMAI COTTON MILLS LIMITED**  
**Registered Office: 30, Sugavaneswara Road, Balaji Nagar**  
**SALEM 636 004**  
**EXTRA ORDINARY GENERAL MEETING NOTICE**

Notice is hereby given that the Extra Ordinary General Meeting will be held on Tuesday, the 12<sup>th</sup> day of August, 2014 at 10.35 A.M at the Registered office of the Company at 30, Sugavaneswara Road, Balaji Nagar, Salem - 636 004, to transact the following business.

**AGENDA**

**SPECIAL BUSINESS:**

1.To Consider and if thought fit, to pass with or without modification(s) the following as a “Special Resolution”.

**“RESOLVED THAT** in accordance with Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, Mr. P.Palaniappan be and is hereby accorded consent to continue as the Chairman cum Managing Director of the Company”.

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

**“RESOLVED THAT** in supersession of the earlier resolutions and pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof, consent and approval of the company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time in one or more branches, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) and remaining outstanding will exceed the aggregate of the paid up share capital and free reserves, provided that the total amount upto which monies may be borrowed by the Board of Directors (apart from temporary loans obtained from the company's bankers) shall not exceed Rs.300 crores (Rupees Three hundred crores only).

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

**“RESOLVED THAT** in supersession of the earlier resolutions and pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereof, the members of the Company hereby accord their consent to the Board of Directors, including any Committee thereof for the time being exercising the powers conferred on them by this resolution, to sell, lease, mortgage or otherwise dispose of or to create charge, mortgage and/or hypothecate the whole of or substantially the whole of the undertakings of the company at such time and on such terms and conditions as the Board may deem fit, in the best interest of the Company”.

**RESOLVED FURTHER THAT** the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets and/or undertakings of the company (both present and future), movable / immovable, in certain events, to banks / financial institutions, other lending agencies, to secure any rupee loans or foreign currency loans.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions for creating the aforesaid mortgage and /or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.

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

"RESOLVED that in accordance with Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and circulars issued by the Ministry of Corporate Affairs, the consent of the Members be and is hereby accorded to all the existing material related party contracts/ arrangements entered into by the Company.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES 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. Electronic copy of the Notice of Extra – Ordinary General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Extra – Ordinary General Meeting of the Company inter alia indicating the process and manner of e-voting with Attendance Slip and Proxy Form is being sent in the permitted mode.

3. Members may also note that the Notice of the Extra – Ordinary General Meeting of the Company will also be available on the Company's website [www.sncmindia.com](http://www.sncmindia.com) for their download.

4. 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 Members facility to exercise their right to vote at the Extra- Ordinary General Meeting (EGM) by Electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

The voting period begins on 4<sup>th</sup> August, 2014 (9:00 a.m) and ends on 6<sup>th</sup> August, 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 30<sup>th</sup> June 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, the shareholder shall not be allowed to change it subsequently.

- (i) Log on to the e-voting website [www.evotingindia.com](http://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”.
- i) Now enter your User ID.
    - a. 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.
  - ii) 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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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. 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>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>*Please enter the DOB or Dividend Bank Details in order to login. If the Details are not recorded with the depository or company please enter the Member id/folio number in the Dividend Bank details field.</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 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.

- (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 EGM .
- (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 out print 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 same 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](mailto: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](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.

**In case of members receiving the Physical copy:**

(A) Please follow all steps from sl. No (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.co.in](http://www.evotingindia.co.in) under help section

(or)

write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

(C) Mr.M.R.L. Narasimha, Company Secretary in Practice, Coimbatore (Membership No. ACS. 2851 CP No. 799 ) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Place: Salem

Date: 25.06.2014

By Order of the Board,

Sd/-

P.Palaniappan,  
Chairman Cum Managing Director.

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

### **Item No:1**

Section 196 of the Companies Act, 2013 requires the passing of a Special Resolution by the members in a General Meeting to continue the employment of any person as a Chairman cum cum Managing Director, who has attained the age of seventy years. As the Chairman cum Managing Director of this Company will be attaining seventy years of age, a Special Resolution needs to be passed for continuing his Office.

Mr.P.Palaniappan, Chairman cum Managing Director, has been with the Company for the past 30 years. Being one of the Promoters of the Company, he had constantly strived hard to seek the welfare of the Company and its Shareholders, with his rich experience and knowledge in the varied fields of technical, financial, marketing and cotton purchase management. Hence, his contribution to the Company is indispensable to attain its objectives. Hence the Board recommends the resolution.

Sri P.Palaniappan is interested in the above Resolution as it relates to the continuing of his service and Smt.P. Umayal and Smt. RM. Umaiyal, Directors of the Company are interested as they are related to Sri P. Palaniappan.

### **Item No:2 &3**

As per Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 , if a Company has to borrow monies in excess of Paid up Capital of the Company and its free Reserves and to create security by way of creating mortgage, hypothecation and /or charge on movable / immovable properties of the Company, it has to acquire the approval of the Members by way of Special Resolution in a General Meeting. Hence, to comply with the said provisions, the Company seeks the approval of members to borrow money which shall exceed the aggregate of the paid up share capital and free reserves, provided that the total amount upto which monies may be borrowed by the Board of Directors (apart from temporary loans obtained from the company's bankers) shall not exceed Rs.300 crores (Rupees Three hundred crores only).

None of the Directors are interested both the resolutions.

Item No:4

The Company has entered into related party transactions and contracts. Section 188 of the Companies Act, 2013 read with the Revised Clause 49 of Listing agreement requires the approval of the Shareholders for all material related party contracts entered into by the Company. As the Company has existing related party transactions, it seeks the approval of the Members.

None of the Directors are interested in the resolution

The Board recommends the Special Resolution(s) as set out in item nos.1, 2, 3 & 4 of the notice for approval of the Members.

Place: Salem  
Date: 25.06.2014

By Order of the Board,

Sd/-  
P.Palaniappan,  
Chairman Cum Managing Director

**SRI NACHAMMAI COTTON MILLS LIMITED**

Registered Office: 30, Sugavaneswara Road, Balaji Nagar  
SALEM 636 004. CIN No. L17115TZ1980PLC000916

**ATTENDANCE SLIP – EGM on 12<sup>th</sup> August, 2014**

Registered Folio/ DP ID/ & Client ID	
Name and address of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	

I/we hereby record my/our presence at the Extra Ordinary General Meeting of the Company to be held on Tuesday, August 12th, 2014 at 10.35 A.M at the registered Office of the Company at 30, Sugavaneswara Road, Balaji Nagar, Salem - 636 004.

Member's Folio no./DP ID/ Client ID	Member's/Proxy's name in Block Letters	Member's/Proxy's Signature

Note: please complete the Folio no./DP ID-Client ID No. and name, sign this Attendance Slip and hand it over this slip.

**ELECTRONIC VOTING PARTICULARS**

Electronic Voting Sequence Number	User ID	Pass word

Note: Please read the instructions printed under the note no. 4 to the Notice of Extra Ordinary General Meeting dated 12th August, 2014. The Voting period starts from 9.00 A.M on 4th August, 2014 and ends at 5.00 P.M on 6<sup>th</sup> August, 2014. The voting module shall be disabled by CDSL for voting thereafter.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL

**Form No. MGT -11  
PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)

CIN No	L17115TZ1980PLC000916
Name of the Company	Sri Nachammai Cotton Mills Limited
Registered Office	30, Sugavaneswara Road, Balaji Nagar, Salem 636 - 004
Name of the Shareholder	
Registered address	
E-mail ID	
Folio No./Client ID	
DP ID	
Name of the Shareholder	
Registered address	
E-mail ID	
Folio No./Client ID	
DP ID	
Name of the Shareholder	
Registered address	
E-mail ID	
Folio No./Client ID	
DP ID	

As my/our proxy to attend and vote (on a poll) for me/us behalf at the Extra Ordinary General Meeting of the Company, to be held on Tuesday the 12th August, 2014 at 10.35 A.M at the registered Office of the Company at 30, Sugavaneswara Road, Balaji Nagar, Salem 636 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Put a tick mark for the resolutions

S.no	Resolutions	Yes	No
1.	To approve the continuance of office of Mr.P.Palaniappan as Chairman cum Managing Director who will be attaining seventy years of age, pursuant to Section 196 of Companies Act, 2013.		
2.	To increase Borrowing powers of the Company, pursuant to Section 180(1)(c)of Companies Act, 2013.		
3.	To provide security for borrowings made by the Company, pursuant to section 180(1)(a)of Companies Act, 2013.		
4.	To approve all material related party contracts entered into by the Company, pursuant to Section 188 and clause 49 of Listing agreement.		

Signed this                      day of                      2014.

Signature of the Shareholder:

Signature of Proxy holder(s) :

Affix Rs.1-  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.