

SRI NACHAMMAI COTTON MILLS LIMITED

Registered Office: Door No. 181, 'VASANTHAM', 4th Cross Street, New Fairlands, SALEM 636 016

Phone No. 0427-2330847; CIN: L17115TZ1980PLC000916

E-mail: sncm@rediffmail.com Website: www.sncmindia.com

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Thirty Ninth Annual General Meeting will be held on Tuesday, the 24th day of September, 2019 at 5.00 P.M at Hotel Sri Sai Vihar, No.30 Murugan Temple Street, Fairlands, Salem– 636016 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, 2019, 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 2019-20

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 2019 -20 amounting to Rs.25,000/- per annum exclusive of GST as applicable and re-imburement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved and ratified.

4. Appointment of Smt. Sujatha Sivakumar (DIN 08536232) as Non Executive Independent Director of the company

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:

“RESOLVED THAT pursuant to approval of the Board of Directors in their meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for appointment of Smt. Sujatha Sivakumar (DIN No08536232) who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, whose term shall not be subject to

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retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 24th September 2019 to 23rd September 2024.”

RESOLVED FURTHER THAT P.Umayal, Chairman cum Managing Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution.”

5. Re-appointment of Smt P.Umayal (DIN 00110260) as Chairman Cum Managing Director of the Company w.e.f. 19th December 2019 upto 18th December 2022

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 (‘Act’) and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of the Members of the Company be and is hereby accorded for the re-appointment and payment of remuneration to Smt P Umayal (DIN 00110260), as Chairman Cum Managing Director of the Company for a period 3 years with effect from 19th December 2019 upto 18th December 2022 on the terms and conditions as mentioned below.

1. Term of Appointment:

With effect from 19th December 2019 upto 18th December 2022

2. Remuneration:

I Salary

Rs.1,25,000/- p.m.(Rupees One Lakh 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 Paragraph 2 of 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 paragraph 2 of Section II 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 part together are not taxable under the Income Tax Act, 1961.
 - ii) Encashment of leave at the end of tenure.

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b. Housing

The Chairman cum Managing Director shall be entitled to house rent allowance subject to the ceilings of 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 furnishings 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 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 of 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 Paragraph 2 of Section II as aforesaid.

6. Re-appointment of Shri P.Palaniappan (DIN 01577805) as Managing Director of the Company w.e.f. 19th December 2019 upto 18th December 2022

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any

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statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of the Members of the Company be and is hereby accorded for the re-appointment and payment of remuneration to Shri P Palaniappan (DIN 01577805), as Managing Director of the Company for a period of three years with effect from 19th December 2019 upto 18th December 2022 on the terms and conditions as mentioned below.

1. Term of Appointment:

With effect from 19th December 2019 upto 18th December 2022

2. Remuneration:

I Salary

Rs.1,25,000/- p.m. (Rupees One Lakh 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 paragraph 2 of Section II of Part II of Schedule V).

III Perquisites

a. The 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 Paragraph 2 of Section II 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 part together are not taxable under the Income Tax Act, 1961.

ii) Encashment of leave at the end of tenure.

b. Housing

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

c. Gas, Electricity, Water and Furnishings

The expenditure incurred by the Company on gas, electricity, water and furnishings 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 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

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Fees for clubs, subject to a maximum of two clubs, excluding admission and life member-ship 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 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 Paragraph 2 of Section II as aforesaid

7. Re-appointment of Sri A ALAGAPPAN (DIN 00363600) as a Non Executive Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 24th May, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Sri A ALAGAPPAN (DIN 00363600) whose current period of office is expiring on 9th December 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 10th December, 2019 upto 9th December, 2024."

RESOLVED FURTHER THAT P.Umayal, Chairman cum Managing Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution."

8. Re-appointment of SHRI S RAVICHANDRAN (DIN 00759455) as a Non Executive Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

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“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 24th May, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of SHRI S RAVICHANDRAN (DIN 00759455) whose current period of office is expiring on 9th December 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 10th December, 2019 upto 9th December, 2024.”

RESOLVED FURTHER THAT P.Umayal, Chairman cum Managing Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution.”

9. Re-appointment of Shri SUBBIAH (DIN 02131140) as a Non Executive Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 24th May, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of SUBBIAH (DIN 02131140) whose current period of office is expiring on 9th December 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 10th December, 2019 upto 9th December, 2024.”

RESOLVED FURTHER THAT P.Umayal, Chairman cum Managing Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution.”

Place: Salem
Date: 14.08.2019

By Order of the Board,
For Sri Nachammai Cotton Mills Limited,
P.Umayal,
Chairman cum Managing Director,
Din.00110260.

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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. Please read the instructions printed overleaf the Proxy Form attached to this notice before using the Form. The right of remote e-voting shall not be exercised by a Proxy.
2. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and 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.
3. The Register of Members and Share Transfer books of the Company shall remain closed from **18th September, 2019 to 24th September, 2019** (both days inclusive).
4. Additional information pursuant to regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment(s).
5. Members holding shares in Physical form are requested to contact M/S. Cameo Corporate Services Limited, Registrars and Share Transfer Agents of the Company, at 'Subramanian Building', No.1 Club House Road, Chennai 600 002 for recording any change of address, bank mandate, or nominations and for redress of grievance or to contact the Company Secretary at the Registered Office of the Company. In case of shareholders holding shares in demat form, all such intimation are to be sent to their respective Depository Participants (DP).
6. As per the provisions of the Companies Act, facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the RTA/Depository Participants.
7. 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.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market for registering transfers, transpositions, transmissions etc. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the RTA, Cameo Corporate Services Limited., at 'Subramanian Building', No.1 Club House Road, Chennai 600 002.
9. 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.

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10. Members are advised to dematerialise the shares held in Physical form. As per LODR amendments from April 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
11. The Notice along with the Annual Report 2018-19 are being sent by the permitted mode. Members may note that this Notice and Annual Report 2018-19 will also be available on the Company's website www.sncmindia.com.
12. A member requiring clarification on account or operations of the Company shall write to the Chief Financial Officer/Company Secretary at least 7 days before the meeting, so that the information required can be provided.

13. 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 39th 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 **21st September, 2019 (9.00a.m) and ends on 23rd September, 2019(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 **17.09.2019** 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) 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.
- (v) 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.

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	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. Example: If your name is Ramesh Kumar with Sl.No. 1 then enters RA00000001 in the "PAN field".</p>
Date of Birth (DOB) Dividend Bank Detail	<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>

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

- (viii) 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 personal take utmost care to keep your password confidential.
- (ix) For members 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 of "Sri Nachammai Cotton Mills Limited".
- (xi) On the voting page, there will be "RESOLUTION DESCRIPTION" and against the same the option YES/NO" for voting. Select the option YES or NO as desired. The option YES implies assent to the Resolution and option NO implies dissent to the resolution
- (xii) Click on the "RESOLUTIONS FILE LINK" to view the Resolution details.
- (xiii) After selecting the resolution to vote on, click on "SUBMIT". A confirmation box will be displayed. To confirm the vote, click on "OK", else to change the vote, click on "CANCEL" and accordingly modify the vote.
- (xiv) Once the vote on the resolution is "CONFIRM", shall not be allowed to modify the vote.
- (xv) A print of the votes cast can be taken by clicking on "Click here to print" option.
- (xvi) If a Demat account holder has forgotten the login password then Enter User ID and the image verification code a and click on Forgot Password & enter the details as prompted by the system.

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(xvii) 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.

* 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.

(xviii) 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.

(xix) In case of members receiving the Physical copy and person who acquire shares of the Company and become a member of the Company as on the Cut -off date.

a) Please follow all steps from Sl. Nos. (i) To (xv) above to cast vote.

b) In case of any queries or issues regarding e-voting, members may refer to 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.

VOTING AT THE VENUE OF THE AGM

i) The Company offers the facility for voting through polling paper at the meeting. The Members as on the Cut-off date 17th September 2019 attending the AGM are entitled to exercise their voting right at the meeting.

ii) Members who have cast their vote by e-Voting may attend the AGM and shall not be entitled to cast their vote.

iii) The Chairman will fix the time for voting at the Meeting. Shareholders present in person or by Proxy can vote.

General Instructions

1. The cut – off date for the purpose of e-voting has been fixed as 17th September 2019. Members holding shares as on this cut off date should endeavour to cast their vote.

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2. Voting rights of Shareholders shall be in proportion to their shareholding in the Company as on the cut-off date of 17th September 2019.
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.
5. The Scrutinizer shall after the conclusion of voting at the AGM.
 - (i) Count the votes cast at the Meeting through polling paper.
 - (ii) Thereafter unlock the votes cast through remote e-voting which will be done in the presence of two witnesses, not in the employment of the Company.
 - (iii) The Scrutinizer not later than two days of the conclusion of the AGM shall submit a consolidated scrutinizer report of the total votes cast through remote e-voting process and poll cast at the AGM to the Chairman.
 - (iv) The Chairman or a person authorised by him in writing shall declare the result of the voting based on Scrutiniser's Report.
 - (v) Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of AGM.
 - (vi) 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.cdsl.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.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 2019-20. 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 2019-20.

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 or the key managerial personnel or their relatives is interested in the resolution.

ITEM NO: 4

Appointment of Non Executive Independent Director

Smt Sujatha Sivakumar was appointed as an Additional Director (Non Executive Independent) of the Company with effect from 14th August 2019, holds office up to the date of the ensuing Annual General Meeting of the Company, in accordance with the provisions of Section 161 of the Companies Act, 2013,

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read with the Articles of Association of the Company. The Board is of the view that the appointment of Smt Sujatha Sivakumar on the Company's Board as Non Executive Independent Director is desirable and would be beneficial to the Company. Resolution for this purpose is placed for consideration of members for approval by an ordinary resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Smt Sujatha Sivakumar herself, is in any way concerned or interested, in the resolution

ITEM No.5,6

The Board of Directors with the approval of Members in 34th Annual general Meeting re-appointed **Smt. P.Umayal** as Chairman cum Managing Director and **Sri P.Palaniappan** Managing Director respectively for a period of Five (5) consecutive years with effect from 19.12.2014 to 18.12.2019.

Smt. P.Umayal has attained age of 70 years. Smt. P.Umayal has rich experience in cotton selection, procurement and purchase and overall administration of the Company.

Sri P.Palaniappan has attained age of 75 years. Sri P.Palaniappan has rich and varied experience in the fields of technical, financial, marketing and cotton purchase management.

It would be in the interest of the Company to continue to avail of their considerable expertise. Accordingly, approval of the members is sought for passing a Special Resolution for re-appointment of Smt. P.Umayal as a Chairman Managing Director and Sri P.Palaniappan as a Managing Director, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act.

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.

ITEM NO: 7,8,9

Re-appointment Non Executive Independent Director of the Company for the Second term of five years

The Board is of the view that the re appointment of Independent Director

Shri A.Alagappan, Shri S.Ravichandran and Shri PL.Subbiah were appointed as a Non Executive Independent Director of the Company for a period of 5 (five) consecutive years for a term upto 09th December 2019. Since, all the Independent Directors will complete their initial term as an Independent Director of the Company on 09th December 2019; they are eligible for re-appointment for one more term. The Board is of the view that the re appointment of Independent Director on the Company's Board as Non Executive Independent Director would be beneficial to the Company. Resolution for this purpose is placed for consideration of members for approval by Special resolution.

None of the Directors, Key managerial personnel or their relatives is concerned or interested in the Resolution other than Shri A.Alagappan, Shri S.Ravichandran and Shri PL.Subbiah as they are concerned or interested in their respective re appointment.

Place: Salem
Date: 14.08.2019.

By Order of the Board,
For Sri Nachammai Cotton Mills Limited,
P.Umayal,
Chairman cum Managing Director,
Din.00110260.

SRI NACHAMMAI COTTON MILLS LIMITED

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	P Umayal	P Palaniappan
DIN No.	00625832	00110260	01577805
Date of Birth & Age	15.02.1956(63 years)	07.03.1949 (70 years)	22.12.1944 (75 years)
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	19.09.1997	10.08.1981	15.10.1984
Relation with other Director	-	Wife of Managing Director P.Palaniappan	Husband of P.Umayal (Chairman Cum Managing Director)
Qualification	SSLC	B.Sc.,	B.E, M.S(USA)
Experience	29 Years in Business	38 years in Business	42 years in Business
No. of Shares held	3718	1036343	198505
List of Directorships held in other Companies	Supreme Yarn Spinners Limited	Supreme Yarn Spinners 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	Stakeholders Relationship Committee and Share Transfer Committee	Stakeholders Relationship Committee and Share Transfer Committee

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

Name	Sujatha Sivakumar	A Alagappan	S Ravichandran	PL.Subbiah
DIN No.	08536232	00363600	00759455	02131140
Date of Birth & Age	06.09.1972 (47years)	07.07.1956 (63 Years)	23.01.1946 (73 Years)	12.04.1969 (50 Years)
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	14.08.2019	29.09.1996	27.08.2010	27.08.2010
Relation with other Director	Nil	-	-	None
Qualification	BA Corporate Secretary ship	BBA	B.E.,M.B.A	B.E
Experience		38 Years in Business	40 Years in Business	25 years in Business
No. of Shares held	Nil	100	8234	NIL
List of Directorships held in other Companies	Nil	NIL	NIL	Egston Electronics (India) Limited
Chairman/Member of the Committees of the Board of other companies in which he/she is Director	Nil	Audit Committee and Nomination and Remuneration Committee	Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Share Transfer Committee	NIL