

THE LAKSHMI MILLS COMPANY LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Hundred and Fifth Annual General Meeting of the Shareholders of the Company will be held at "Nani Palkhivala Auditorium", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037, on Friday, the 4th September 2015 at 4.35 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements including Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and the Report of the Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st March 2015.
3. To appoint a Director in the place of Sri.Sanjay Jayavarthanavelu (DIN 00004505), who retires by rotation and being eligible offers himself for re - appointment.
4. To ratify the appointment of the Auditors and to fix their remuneration and in this regard to pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 139(1) & 142(1) of the Companies Act, 2013, the appointment of M/s.Subbchar & Srinivasan (Firm Registration No.0040835), Chartered Accountants, Coimbatore as the Statutory Auditors of Company for the financial year 2015 - 16, be and is hereby ratified, on such remuneration as may be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Smt. Suguna Ravichandran (DIN 00170190) who was appointed by the Board of Directors as an Additional Director of the Company at the Board Meeting held on 11th February 2015 and who holds office up to the

date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years or the date of 110th Annual General Meeting whichever is earlier, not liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the year 2014-15 to M/s. S.Mahadevan & Co, Cost Accountants (Firm Regn. No.000007) appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year 2014-15, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus service tax as applicable and reimbursement of conveyance on actual basis as incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.

7. To consider and if thought fit, to pass the following resolution as an **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company, the consent of the Shareholders of the Company, be and is hereby accorded to the re-appointment of Sri.S.Pathy (DIN 00013899) as Managing Director of the Company for a further period of 5 years and payment of remuneration for a period of 3 years with effect from 24.04.2016 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at their meeting held on 29th July 2015.



MEMORANDUM OF TERMS AND CONDITIONS

- 1 Salary : ₹ 5,00,000 per month with an annual increment of ₹ 50,000/- per month.
- 2 Commission : 1% on the net profit of the Company, as may be applicable.
- 3 Benefits : Company's contribution to Provident Fund and Superannuation Fund as per rules of the Company to the extent, these either singly or put together do not exceed the limits fixed under the Income Tax Act, 1961.
- 4 Gratuity : Shall not exceed half a month's salary for every completed year of service.
- 5 Leave : Shall be entitled to
Encashment encashment of Leave at the end of the tenure.

The items under Sl. Nos. 3, 4 & 5 above, viz., Provident Fund, Superannuation Fund, Gratuity and Leave Encashment shall not be considered as perquisites.

Perquisites

In addition to the salary and commission, the Managing Director shall also be entitled to interchangeable perquisites like furnished accommodation, gas, electricity, water, medical reimbursement, LTA for self and family, club fees, medical insurance etc., in accordance with the rules of Company. However, the aggregate of such perquisites shall not exceed ₹ 3,60,000/- per annum. The perquisites shall be evaluated as per Income Tax Rules wherever applicable.

Provision of a company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the company to the Managing Director.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Managing Director of the Company shall be subject to the limits mentioned in Section II of Part II of Schedule V of the Companies Act, 2013.

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

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company, the consent of the Shareholders of the Company, be and is hereby accorded to the re-appointment of Sri. Aditya Krishna Pathy (DIN 00062224) as Deputy Managing Director of the Company for a further period of 5 years with effect from 30.07.2015 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at their meeting held on 29th July 2015.

MEMORANDUM OF TERMS AND CONDITIONS

- 1 Salary : ₹ 3,00,000/- per month with an annual increment of ₹ 30,000/- per month.
- 2 Commission : 1% on the net profit of the Company, as may be applicable.
- 3 Benefits : Company's contribution to Provident Fund and Superannuation Fund as per rules of the Company to the extent, these either singly or put together do not exceed the limits fixed under the Income Tax Act, 1961.
- 4 Gratuity : Shall not exceed half a month's salary for every completed year of service.
- 5 Leave : Shall be entitled to
Encashment encashment of Leave at the end of the tenure.

THE LAKSHMI MILLS COMPANY LIMITED

The items under Sl.Nos.3, 4 & 5 above, viz., Provident Fund, Superannuation Fund, Gratuity and Leave Encashment shall not be considered as perquisites.

Perquisites

In addition to the salary and commission, the Deputy Managing Director shall also be entitled to interchangeable perquisites like medical reimbursement, LTA for self, club fees, medical insurance etc., in accordance with the rules of the Company. However, the aggregate of such perquisites shall not exceed ₹ 2,04,000/- per annum. The perquisites shall be evaluated as per Income Tax Rules wherever applicable.

Provision of a company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the company to the Deputy Managing Director.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Deputy Managing Director of the Company shall be subject to the limits mentioned in Section II of Part II of Schedule V of the Companies Act, 2013.

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

RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard.

I. General Information

1. Nature of Industry:

The Company is manufacturing Cotton and Synthetic yarn and outsourcing cloth. The installed capacity is 1,33,392 Ring spindles. The Company presently has two manufacturing Units, one at Palladam and another at Kovilpatti.

2. Date of commencement of Commercial Production:

01.04.1910

2014 - 15
₹ in lakhs

3. Financial Performance:

Sales	22,130.01
Profit before Interest, Depreciation and Taxation	1,920.62
Net Profit	429.08
Capital Employed	15,522.85

4. Export Performance and Net foreign exchange earnings:

Yarn	2,902.96
Cloth	1,448.35

5. Foreign Investments or Collaborators:

NIL

II. Information about the appointee Sri S. Pathy, Managing Director

Sri S. Pathy was appointed as Managing Director on the Board on 24.04.2011 for a period of 5 years. He takes care of day to day operations of the Company including modernization and global export market.

Past Remuneration : ₹ 5,00,000/- per month inclusive of all allowances and perquisites.

Remuneration Proposed : ₹ 5,00,000/- per month with annual increment of ₹ 50,000/- per month

Commission : 1% on the Net Profit of the Company.

The remuneration proposed is commensurate with the size of the Company, the responsibilities and the industry norms.

Relationship with the managerial personnel : Sri S. Pathy is related to Sri Aditya Krishna Pathy

III. Other information

The Company is one of the leading Textile Mills in South India established in the year 1910. The Company has a track record of paying dividend to the shareholders without any break for the last 76 years excepting the year 2011-12. The equity shares of ₹ 100/- each of the Company were quoted at around ₹ 2200/- per share, on 31.03.2015

The working of the Company for the financial year 2014-15 has resulted in a net profit of ₹ 429.08 Lakhs and is expected to maintain the trend in future years considering the improvement in productivity owing to the modernization carried out in the manufacturing units.

IV. Disclosures

1. The shareholders of the Company are informed of the remuneration package of the managerial persons.
2. All elements of remuneration package such as salary, benefits etc. of all the Directors are mentioned in the Board of Directors' Report.

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company.

The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Members/Proxies are requested to bring duly filled Attendance Slips sent herewith to attend the meeting.

3. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
4. Statement pursuant to Section 102 of the Companies Act, 2013 with respect to special businesses has been annexed to this notice.
5. Brief resume, details of shareholding and inter-se relationship of Directors seeking appointment / re-appointment as required under Clause 49 of the Listing Agreement, are provided as annexure to this report.
6. The Register of Members and Share Transfer Books of the Company shall remain closed between **29.08.2015** and **04.09.2015** (both days inclusive).
7. Subject to the provisions of Section 123 of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the Meeting will be paid within a period of 30 days from the date of declaration to those members whose names appear on the Register of members as on 28.08.2015.
8. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed dividends shall be transferred to the 'Investor Education and Protection Fund' of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2007 - 2008, 2008 - 2009, 2009 - 2010, 2010 - 2011, 2012 - 2013 & 2013 - 14 are requested to write to the Registrar and Share Transfer Agent of the Company, M/s.SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 for claiming the dividend.
9. Dividend declared in the year 2008 for the financial year 2007 - 2008 and remaining unclaimed will be transferred to Investor Education and Protection fund after conclusion of this Annual General Meeting.
10. Company's share transfer work and dematerialisation of shares, is done by M/s.SKDC Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
11. It is reiterated that the request for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not to the Company or its depository / transfer agent.

THE LAKSHMI MILLS COMPANY LIMITED

12. International Securities Identification Number given to your company is INE938CO1019.
13. Members who are holding shares in the same name in more than one folio may please advise the Registrar and Share Transfer Agent for consolidating into single folio.
14. Investors are required to provide a copy of their PAN card for effecting share transfers, transmission and transposition in their favour.
15. Shareholders who are interested to avail the facility of Dividend payment by National Electronic Clearing Service (NECS) are requested to fill the NECS Mandate in the prescribed form (enclosed) and send it to the company's Registrar and Share Transfer Agents M/s.SKDC Consultants Limited.
16. Members holding shares in Physical form are requested to intimate the change of address and their bank account details such as bank name, branch with address and account number for incorporating the same in Dividend Warrants/ Cheques to Company's Registrar and Share Transfer Agent M/s. SKDC Consultants Limited quoting their respective folio number.
17. Members holding shares in Demat form are requested to intimate change of address notifications and updates of bank account details to their respective Depository Participants.
18. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the company in respect of shares held in Physical form and with the concerned DP in respect of shares held in Demat form to enable the company to serve documents in electronic form, in future.
19. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose email ID is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. For members who have not registered their email ID, Physical copies of Annual Reports and AGM Notice for the year 2014-15 are sent through the permitted mode separately.
20. Any member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the meeting, so that the information required can be made available at the meeting.

Voting through Electronic Means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members facility to exercise their votes for all the resolutions detailed in the Notice of the 105th Annual General Meeting scheduled to be held at 4.35 p.m on Friday, the 4th September 2015 by electronic means and the business may be transacted through e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities.

The Facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their vote through polling paper at the meeting.

The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again Votes cast by members who hold shares on the cut-off date namely 28.08.2015 alone will be counted.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 01.09.2015 at 9.00 AM and ends on 03.09.2015 at 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 28.08.2015 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) The shareholders should log on to the e-voting website www.evotingindia.com.



- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:
- For Members holding shares in Demat Form and Physical Form**
- PAN**
- Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- 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.
 - 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
- 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.
- 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 (v).
- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN relevant to M/s. The Lakshmi Mills Company Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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