

THE LAKSHMI MILLS COMPANY LIMITED

686, Avanashi Road, Coimbatore - 641 037

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CIN: L17111TZ1910PLC000093

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **HUNDRED AND TENTH ANNUAL GENERAL MEETING (AGM)** of the Members of the Company will be held on Thursday, 3rd September, 2020 at 11:30 a.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641 037.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and Changes in Equity for the year ended on that date together with the Directors’ Report and the Auditors’ Report thereon.
2. To appoint a Director in the place of Sri R. Santharam (DIN 00151333), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

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

“RESOLVED that pursuant to Sections 149, 150, 152, 160 and Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended) and upon the recommendation of the Nomination and Remuneration Committee and Board of Directors, Smt Suguna Ravichandran (DIN: 00170190), an Independent - Non Executive Director of the Company whose period of office is expiring on this date, who has given her consent for the re-appointment and has submitted a declaration

that she meets the criteria for independence under Section 149(6) of the Act and who is eligible for reappointment, be and is hereby reappointed as an Independent Non - Executive Director of the Company to hold office for a Second Term of 5 (FIVE) consecutive years w.e.f 03.09.2020 and shall not be liable to retire by rotation.”

4. **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 and payment of remuneration for a period of 3 years with effect from 30.07.2020 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their meeting held on 24th June 2020.

MEMORANDUM OF TERMS AND CONDITIONS

- 1 Salary : ₹ 3,90,000/- per month with an increment of ₹ 39,000/- every year.
- 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 Whole Time 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 Whole Time 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.

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

“RESOLVED THAT pursuant to the provisions of section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. A. R. Ramasubramania Raja & Co., (Registration No. 000514), Cost Accountants, Coimbatore, who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost accounting records of the Company for

the financial year 2020-21 on a remuneration of ₹ 1,00,000/- exclusive of applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

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
2019 - 2020
₹ in lakhs

3. Financial Performance:

Sales	21,268.50
Profit before Interest, Depreciation and Taxation	1,036.06
Net Profit	42.60
Capital Employed	26,735.03

4. Export Performance and Net foreign exchange earnings:

Yarn	2,300.59
Cloth	1,879.26

5. Foreign Investments or Collaborators: NIL

II. Information about the appointee Sri Aditya Krishna Pathy, Deputy Managing Director

Sri Aditya Krishna Pathy was appointed as Deputy Managing Director on the Board on 30.07.2015 for a period of 5 years. He takes care of day to day operations of the Company including diversification and global export market.

Past Remuneration : ₹ 3,00,000/- per month with an annual increment of ₹ 30,000/- per month

Remuneration Proposed : ₹ 3,90,000/- per month with annual increment of ₹ 39,000/- per month

Commission : 1% on the Net Profit of the Company

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

Relationship with the managerial personnel: Sri Aditya Krishna Pathy is related to Sri S. Pathy, Chairman and Managing Director

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 80 years excepting the year 2011-12 and the year 2019-20. The equity shares of ₹ 100/- each of the Company were quoted at around ₹ 1,500/- per share on 31.03.2020.

The working of the Company for the financial year 2019-20 has resulted in a net profit of ₹ 42.60 Lakhs and is expected to grow in future years considering the improvement in productivity 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.

Coimbatore
07.08.2020

By Order of the Board
N. SINGARAVEL
Company Secretary

NOTES:

The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical

presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In case of joint holders attending the meeting through VC / OAVM, only such joint holder who is higher in the order of names will be entitled to vote.
4. Institutional / Corporate Members (ie other than Individuals/HUF/NRI) etc are required to send the scanned copy of the Board Resolution (pdf or jpg format) authorizing their representatives to attend the meeting through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution / Authorisation shall be sent to the Scrutinizer by email through its registered email address to bk.scrutiniser@gmail.com with a copy marked to evoting@nsdl.co.in.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members may note that M/s. M. S. Jagannathan and Visvanathan, Chartered Accountants, (Firm Registration No. 001209S), Coimbatore, the statutory auditors of the company were appointed by the shareholders at 107th Annual General Meeting (AGM) held on 26.07.2017, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2022, subject to ratification by the shareholders at every AGM. However, the Ministry of Corporate Affairs vide its



notification dated 07.05.2018 has amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the Members for appointment of statutory auditors at every AGM. Hence, no resolution is being proposed for ratification of appointment of statutory auditors at this 110th Annual General Meeting.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday - 28.08.2020 to Thursday - 03.09.2020 (both days inclusive), as per Regulation 42 of the SEBI (LODR) Regulations 2015 and Section 91 of the Companies Act, 2013.

8. The Board of Directors has not recommended any dividend for the year ended 31.03.2020.

9. 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 2012-2013, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19 are requested to write to the Registrar and Share Transfer Agents of the Company, M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 for claiming the dividend. The details of shareholders whose unclaimed dividend / shares are liable to be transferred to IEPF are available at the Company's website - www.lakshmimills.com.

10. Dividend declared in the year 2013 for the financial year 2012-2013 and remaining unclaimed will be transferred to Investor Education and Protection Fund after conclusion of this Annual General Meeting under the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The shareholders, whose unclaimed shares or unpaid amount stand already transferred to the IEPF Authority Account, may claim the same from the IEPF Authority by filing Form IEPF - 5 along with requisite documents.

11. Company's share transfer work and dematerialisation of shares, is done by Registrar and Share Transfer Agents - M/s. S.K.D.C. Consultants

Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.

12. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its RTA - M/s. S.K.D.C. Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006, by quoting their Folio Number or the Client ID No. with DP ID No.

13. It is reiterated that the request for Dematerialisation and Rematerialisation are to be made only to the Depository Participant (DP) with whom you have opened an account and not to the Company or its Depository / Transfer Agent.

14. International Securities Identification Number given to your company is INE938C01019.

15. Members who are holding shares in the same name in more than one folio may please advise the Registrar and Share Transfer Agents for consolidating into single folio.

16. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above, Members are advised to dematerialise shares held by them in physical form.

17. As per the green initiative taken by the Ministry of Corporate Affairs, Members are advised to register their email address with the Registrar and Share Transfer Agents M/s. S.K.D.C. Consultants Ltd., in respect of shares held in physical form and with the concerned depository participant in respect of shares held in demat form to enable the company to serve documents in electronic form.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the company or to the Registrar and Share Transfer Agents - M/s. S.K.D.C. Consultants Ltd.

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19. Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the listed Companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. In view of this provision, 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 along with the original cancelled cheque leaf to the Company's Registrar and Share Transfer Agents M/s. S.K.D.C. Consultants Ltd, "Kanapathy Towers", 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006.
 20. Members holding shares in Physical form are requested to intimate the email id, change of address and their bank account details such as bank name, branch with address and account number for incorporating the same in the records of the Company to the Company's Registrar and Share Transfer Agents - M/s. S.K.D.C. Consultants Limited quoting their respective folio number. Members holding shares in Demat form are requested to intimate the email id, change of address notifications and updates of bank account details to their respective Depository Participants.
 21. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members may file nomination forms in respect of their physical shareholdings. Any Member wishing to avail this facility may submit to the Company's Registrar & Share Transfer Agent in the prescribed statutory form. Should any assistance be desired, Members should get in touch with the Company's Registrar & Share Transfer Agents.
 22. Brief resume, details of shareholding and Directors / KMP inter-se relationship of Directors seeking election / re-election, as required under Reg. 36 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are provided as Annexure to this Notice.
 23. Soft copies of 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 the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members who request for the same, during the AGM.
 24. Any Member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, mentioning their name, folio no., demat account no., mobile no., and e-mail id so as to reach him at least 7 days before the meeting, so that the information required will be made available at the meeting through VC / OAVM or separate e-mail.
 25. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report for the year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the physical copy of the Annual Report will not be sent. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website - www.lakshmill.com and website of the Stock Exchange - BSE Ltd - www.bseindia.com. Members can attend and participate in the Annual General Meeting through VC / OAVM facility only.
 26. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Service Limited (CDSL). The Depository System envisages the elimination of several problems involved in the script based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holdings to electronic mode.
 27. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.
- Voting through Electronic Means**
- i. In compliance with provisions of Section 108 of the



Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members, the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an electronic voting system (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- ii. Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.
- iii. The remote e-voting period commences on 31.08.2020 (9:00 AM) and ends on 02.09.2020 (5:00 PM). During this period, Members’ of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 27.08.2020, may cast their vote by remote e- voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Meeting.
- iv. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
- v. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The Members, who has not cast their vote by remote e-voting, shall vote through e-voting system in the AGM.

The process and manner for remote e-voting are as under:

In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: [https:// www.evoting.nsdl.com/](https://www.evoting.nsdl.com/)
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of “The Lakshmi Mills Company Limited”.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bkcacbe@gmail.com with a copy marked to evoting@nsdl.co.in
- vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote

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e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

- vii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- viii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 27.08.2020.
- ix. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., 27.08.2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@skdc-consultants.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

Process for those shareholders whose email ids are not registered with the Depositories / Company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of the 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 green@skdc-consultants.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@nsdl.co.in.

Instructions for Members for e-voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM 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 in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Shareholder / Member's login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further Members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Members who need assistance before or during



the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Ms. Pallavi Mhatre, Manager - NSDL at +91 22 24994545.

6. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number / folio number, email id, mobile number at csns@lakshimimills.com on or before 05.00 PM IST on Wednesday, 26th August, 2020.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
8. Members can join the AGM in the VC / OAVM mode 30 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 for 1,000 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.
- x. The Company has appointed Sri B. Krishnamoorthi, Chartered Accountant, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- xi. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those Members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing the remote e-voting facility.
- xii. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes casted during the AGM and thereafter unblock the votes cast through remote e-voting in

the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- xiii. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.lakshimimills.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange - BSE Ltd, where the shares of the Company are listed.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Smt Suguna Ravichandran (DIN: 00170190) was appointed as an Independent - Non-Executive Director of the Company by the Members at the 105th Annual General Meeting held on 4th September 2015 to hold office for a term of 5 (FIVE) consecutive years till the conclusion of the 110th Annual General Meeting or 03.09.2020, whichever is earlier.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto 5 consecutive years but shall be eligible for re-appointment for another term of 5 consecutive years subject to approval of the Members by way of passing a Special Resolution.

In the opinion of the Board of Directors, Smt Suguna Ravichandran (DIN: 00170190) fulfils the conditions specified in the Companies Act, 2013 read with Rules made thereunder and the SEBI (LODR) Regulations, 2015 for her reappointment as Independent - Non Executive Directors of the Company and is independent of the Management.

A notice in writing under Section 160 of the Companies Act, 2013, has been received from the Member proposing Smt Suguna Ravichandran (DIN: 00170190) as a candidature for the office of Independent Director of the Company.

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During her tenure of appointment, she shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Board of Directors recommends the Special Resolution for the re-appointment of Smt Suguna Ravichandran (DIN: 00170190) as Independent Director for another term of 5 (FIVE) consecutive years for approval by the Members of the Company.

The disclosures as required under Regulation 36 of the SEBI (LODR) Regulations, 2015 and Secretarial Standards 2 are furnished and forms part of this Notice of AGM.

A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of her re-appointment would be available for inspection by the Members at the Registered Office of the Company during the normal business hours of the Company, other than Saturdays and Sundays, till the date of the ensuing Annual General Meeting.

Except the appointee Director, Smt Suguna Ravichandran, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice of the AGM.

Item No. 4

The Board of Directors of the Company at their meeting held on 24th June 2020, on the recommendation of the Nomination and Remuneration Committee, have considered the re-appointment of Sri Aditya Krishna Pathy as Deputy Managing Director of the Company for a further period of 5 years on such remuneration for a period of 3 years with effect from 30.07.2020 as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors of the Company.

Considering the persistent efforts of Sri Aditya Krishna Pathy towards the growth of the company and his ever increasing responsibilities the Board of Directors have re-appointed Sri Aditya Krishna Pathy as the Deputy Managing Director for a further period of 5 years with effect from 30.07.2020.

Pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 the re-appointment of the Deputy Managing Director shall be subject to the approval of the Members of the Company in the General Meeting. Hence the necessary resolution has been set out in Item No.4 of the Notice for the approval of the Members.

The details as required under Schedule V of the Companies Act, 2013 and brief bio data of Sri Aditya Krishna Pathy and other disclosures as per Secretarial Standard 2 are furnished and forms a part of this Notice.

Except Sri Aditya Krishna Pathy, being the appointee Director and Sri S. Pathy, Chairman and Managing Director being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No.4.

Item No. 5

The Board of Directors of the Company, at their meeting held on 24th June, 2020 on the recommendation of the Audit Committee, has approved the appointment of and remuneration payable to M/s. A. R. Ramasubramania Raja & Co., Cost Accountants for the audit of cost accounting records of the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended for the financial year 2020 - 21 at a remuneration of ₹ 1,00,000/- per annum excluding the applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the audit.

As per Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as determined by the Board is required to be ratified by the Members of the Company. Board recommends this Resolution for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No.5.

Details of Director(s) seeking re-appointment at the Annual General Meeting in pursuance of Secretarial Standards (SS-2) and Regulation 36 of SEBI (LODR) Regulations, 2015.

Name	Sri R. Santharam	Smt Suguna Ravichandran	Sri Aditya Krishna Pathy
DIN	00151333	00170190	00062224
Date of Birth / Nationality	21.03.1937* / Indian	11.08.1958 / Indian	31.07.1986 / Indian
Date of appointment on the Board	27.03.2002	11.02.2015	11.06.2009
Relationship with other Directors	Not related to any other Director	Not related to any other Director	Related to Sri S. Pathy - Son
Qualifications	Textile Management (USA)	Chartered Accountant	Business Management
Experience	50 years	22 years	12 years
Number of Shares held	Nil	Nil	78,324
Board Position held	Non-Executive - Non - Independent Director	Independent Director	Executive Director
No. of Board Meeting attended during the year	4	4	4
Terms and conditions of appointment	Retires by rotation and eligible for re-appointment	Proposed to be re-appointed for a second term of 5 consecutive years	Re-appointment for a period of 5 years liable to retire by rotation
Remuneration last drawn	Information disclosed in the Corporate Governance Report annexed to the Annual Report		
Remuneration sought to be paid	Sitting Fees for attending the Board and Committee Meetings		Salary - ₹ 3,90,000/- pm with an annual increment of ₹ 39,000/- and perquisites ₹ 17,500/- pm
Directorships held in other companies	Listed: Lakshmi Automatic Loom Works Ltd Others: The Lakshmi Card Clothing Mfg. Co Pvt Ltd LCC Investments Pvt Limited R. Santharam Marketing & Services Pvt Ltd Sri Revati Spinning Mills Ltd	Listed: Super Spinning Mills Ltd Others: The Metal Powder Company Ltd Versa Pack Pvt. Ltd	Listed: Nil Others: Lakshmi Card Clothing Mfg. Co Pvt Ltd LCC Investments Pvt Limited The Coimbatore Lakshmi Cotton Press Pvt Ltd Sans Craintes Stud Farm Pvt Ltd Sans Craintes Livestock Pvt Ltd Sans Craintes Racing and Bloodstock Pvt. Ltd The Cotton Textile Export Promotion Council Confederation of Indian Textile Industry
Committee Chairmanship/ Membership held in other companies			
Audit Committee	Member The Lakshmi Mills Company Ltd Lakshmi Automatic Loom Works Ltd	Member The Lakshmi Mills Company Ltd The Metal Powder Company Ltd Chairmen - Super Spinning Mills Ltd	Nil
Nomination and Remuneration Committee	Member The Lakshmi Mills Company Ltd Lakshmi Automatic Loom Works Ltd	Nil	Nil
Stakeholders Relationship Committee	Chairman The Lakshmi Mills Company Ltd Lakshmi Automatic Loom Works Ltd	Chairmen - Super Spinning Mills Ltd	Nil

* Sri R. Santharam having attained the age of 75 years, approval of the shareholders by Special Resolution dated 23.03.2019 has been granted for continuation of the office of directorship.