



Kandagiri Spinning Mills Ltd.

Ref: KSML/CS/ 107/2015-16

29TH September, 2015

The DGM Listing,
Bombay Stock Exchange Limited,
Floor 25, P.J.Towers,
Dalal Street, Mumbai - 400 001.

Madras Stock Exchange Limited,
P.B.No:183, No 30,
Second Line Beach,
Chennai - 600 001.

Dear Sir,

Sub: Declaration of Results of the Chairman for the Resolutions included in the Notice of the 39th Annual General Meeting held on 27.09.2015

We are pleased to bring to your notice that the Company had successfully conducted the 39th Annual General Meeting on 27.09.2015. In accordance with the provisions of Companies Act, 2013 read with the relevant rules and SEBI Equity Listing Agreement, the Company had provided remote e-voting, postal ballot (for those who do not have access to e-voting) and voting through the facility of polling at the venue of the AGM for all the resolutions included in the notice of the 39th Annual General Meeting of the Company. CS B. Kalyanasundaram of M/s B.K.Sundaram & Associates, Practising Company Secretaries had been appointed as the Scrutinizer for all the voting processes.

The Scrutinizer has submitted the Consolidated report of the results of the voting casted through remote e-voting/postal ballot/voting held at the venue of the AGM. We herewith enclosed the Scrutinizer report and the report of declaration of results by the Chairman along with the notice of 39th Annual General Meeting of the Company.

Kindly take the same on record and acknowledge the receipt of the same.

Thanking You,

Yours faithfully,
For Kandagiri Spinning Mills Limited


(J. Asifa)

Company Secretary

Encl.: As above



Regd. Off : Mill Premises, Udayapatti (P.O.), P.B. No. 3, Salem - 636 140. Phone : Mill : 0427-2244400
Fax: 0427-2244422 Grams: SUPERSPIN E-mail: sales@kandagirimills.com Web: www. kandagirimills.com

CIN : L17111TZ1976PLC000762





Kandagiri Spinning Mills Ltd.

ANNEXURE

**DECLARATION OF RESULTS BY THE CHAIRMAN ON TODAY (29.09.2015)
FOR THE RESOLUTIONS CONTAINED IN THE NOTICE OF THE 39TH
ANNUAL GENERAL MEETING OF THE COMPANY BASED ON THE
CONSOLIDATED REPORT OF THE SCRUTINIZER**

Sl. No.	Resolutions	Type of Resolution	Declaration of Result
1.	ADOPTION OF FINANCIAL STATEMENTS	Ordinary Resolution	Resolution passed with requisite Majority as Ordinary Resolution
2.	APPOINTMENT OF SRI S.VIJAYSHANKAR, DIRECTOR RETIRING BY ROTATION	Ordinary Resolution	Resolution passed Unanimously
3.	APPOINTMENT OF STATUTORY AUDITORS	Ordinary Resolution	Resolution passed with requisite Majority as Ordinary Resolution
4.	REAPPOINTMENT OF SRI R.SELVARAJAN, CHAIRMAN AND MANAGING DIRECTOR	Special Resolution	Resolution passed Unanimously
5.	REVISION IN THE REMUNERATION PACKAGE OF SRI S.VIJAY SHANKAR, IN HIS CAPACITY AS CHIEF FINANCIAL OFFICER	Ordinary Resolution	Resolution passed with requisite Majority as Ordinary Resolution
6.	ACCEPTANCE OF DEPOSITS FROM MEMBERS OF THE COMPANY	Ordinary Resolution	Resolution passed Unanimously
7.	RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITORS	Ordinary Resolution	Resolution passed with requisite Majority as Ordinary Resolution
8.	REISSUE OF FORFEITED SHARES	Ordinary Resolution	Resolution passed with requisite Majority as Ordinary Resolution

For Kandagiri Spinning Mills Limited


(R. Selvarajan)

Chairman and Managing Director



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Fax: 0427-2244422 Grams: SUPERSPIN E-mail: sales@kandagirimills.com Web: www.kandagirimills.com

CIN : L17111TZ1976PLC000762



**B.K.SUNDARAM & ASSOCIATES
COMPANY SECRETARIES.**

**B.KALYANASUNDARAM,
B.Com.,AICWA.,ACS.,**

**OFFICE:
29 & 30,PANDAMANGALAM
AGRAHARAM,
WORIUR,TRICHY-620003.
PHONE:- 0431- 2761590.
Email:- bksundaram@gmail.com**

REPORT OF SCRUTINIZER

[pursuant to Sections 108, 109 & 110 of the Companies Act,2013 and Rules 20(3)(xi), 21 (1) (I) and 22 (9) of the Companies (Management and Administration) Rules,2014 read with Clause 35B of the Listing Agreement]

To
The Chairman and Managing Director,
KANDAGIRI SPINNING MILLS LIMITED,
P.B. NO.3, UDAYAPATTI PO,
SALEM - 636 140

I, B.KALYANASUNDARAM, PRACTISING COMPANY SECRETARY, (CP. NO.2209 & M.NO.A672), Prop of M/S B.K.SUNDARAM & ASSOCIATES, COMPANY SECRETARIES have been appointed as a scrutinizer by M/s KANDAGIRI SPINNING MILLS LIMITED, (CIN: L17111TZ1976PLC000762) having its registered office at P.B. NO.3, UDAYAPATTI PO, SALEM - 636 140 for the purpose of scrutinizing the process of e-voting, postal ballot and voting by use of polling paper at the meeting (Voting at AGM) in a fair and transparent manner and ascertaining the requisite majority on e-voting, postal ballot and voting by use of polling paper at the meeting (Voting at AGM), as per Section 108, 109 and 110 of the Companies Act,2013 read with Rules 20, 21 & 22 of the Companies (Management and Administration) Rules, 2014 and read with Clause 35B of the Listing Agreement on the below mentioned resolutions, I submit my report as under:-

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1. All postal ballot forms received up to the close of working hours at 05.00 PM on 26-09-2015, the last date and time fixed by the Company for receipt of the forms, were considered for my scrutiny.
2. The e-voting period remained open from 23rd September 2015 to 26th September 2015 through e-voting services provided by CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL)
3. The votes cast through use of polling paper at the venue of the Annual General Meeting (AGM) held on 27th September 2015 were considered for my scrutiny and counted. A report in the prescribed Form No. MGT 13 under Rule 21 of the Companies (Management and Administration) Rules, 2014 has been furnished separately to the Chairman of the meeting.
4. The e-votes were unblocked through the menu provided in the CDSL website on 27th September 2015 after the conclusion of the AGM in the presence of two witnesses viz Mr.B. RAMAMURTHY and Mr. K. KARTHIKEYAN who are not in the employment of the Company. They have signed below in confirmation of the votes being unblocked in their presence.

(B. RAMAMURTHY)

(K. KARTHIKEYAN)

5. Thereafter, the details containing, inter-alia, list of equity shareholders, who voted electronically were downloaded from the e-voting website of CDSL (<https://www.evotingindia.com>). The valid e-votes cast 'For' and 'Against' were taken in to consideration while preparing the result of e-voting.

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6. A summary of the Postal ballot forms received is given below:-

PARTICULARS	NO. OF POSTAL BALLOT FORMS
(a) Total postal ballot forms received	25
(b) Less: Invalid postal ballot forms	11
(c) Net Valid Postal ballot forms taken in to consideration while preparing the result of postal ballot	14

7. Based on the counting of valid votes cast thro' e-voting, valid votes cast thro' Postal Ballots and valid votes cast thro' polling papers at the AGM venue, I furnish hereunder the consolidated result :-

Sl.No..	Particulars of the Business	Voted for			Voted against			
			No. of Members	No. of votes	Vote %	No. of Members	No. of Votes	Vote %
ORDINARY BUSINESS								
1	Agenda Item No.1:- Adoption of Financial Statements	Poll	9	509		0	0	
		E-voting	48	2636407		0	0	
		Postal ballot	13	93400		1	100	
		Total	70	2730316	100	1	100	0
2	Agenda Item No.2:- Appointment of Mr. S. VIJAY SHANKAR retiring Director	Poll	9	509		0	0	
		E-voting	48	2636407		0	0	
		Postal ballot	14	93500		0	0	
		Total	71	2730416	100	0	0	0



3	Agenda Item No.3:- Appointment of Statutory Auditors	Poll	9	509		0	0	
		E-voting	48	2636407		0	0	
		Postal ballot	13	93400		1	100	
		Total	70	2730316	100	1	100	0
SPECIAL BUSINESS								
4	Agenda Item No.4:- Reappointment of Mr.R. SELVARAJAN, CMD	Poll	9	509		0	0	
		E-voting	48	2636407		0	0	
		Postal ballot	14	93500		0	0	
		Total	71	2730416	100	0	0	0
5	Agenda item No.5:- Revision in the remuneration package of Mr. S.VIJAY SHANKAR In his capacity as CFO	Poll	9	509		0	0	
		E-voting	42	1213645		0	0	
		Postal ballot	13	93400		1	100	
		Total	64	1307554	100	1	100	0
6	Agenda Item No.6:- Acceptance of deposits from members	Poll	9	509		0	0	
		E-voting	48	2636407		0	0	
		Postal ballot	14	93500		0	0	
		Total	71	2730416	100	0	0	0



7	Agenda Item No.7:- Ratification of remuneration payable to the Cost Auditors	Poll	9	509		0	0	
		E-voting	48	2636407		0	0	
		Postal ballot	13	93400		1	100	
		Total	70	2730316	100	1	100	0
8	Agenda Item No.8:- Reissue of 16400 forfeited equity shares	Poll	9	509		0	0	
		E-voting	47	2636307		1	100	
		Postal ballot	14	93500		0	0	
		Total	70	2730316	100	1	100	0

The downloaded e-voting records, postal ballot forms, polling forms and other connected papers relating to e-voting, postal ballot and voting at the AGM shall remain in my safe custody until the chairman considers this report of Scrutinizer and announces the result on 29TH September 2015 at the Registered Office of the Company and thereafter the same will be handed over to the COMPANY SECRETARY of the Company for safe keeping.

PLACE: TRICHY
DATE : 28-09-2015



For B.K.SUNDARAM & ASSOCIATES
COMPANY SECRETARIES
[Signature]
B. KALYANASUNDARAM
PRACTISING COMPANY SECRETARY
C.R. 3209.

**B.K.SUNDARAM & ASSOCIATES
COMPANY SECRETARIES.**

**B.KALYANASUNDARAM,
B.Com.,AICWA.,ACS.,**

OFFICE:

**29 & 30 ,PANDAMANGALAM
AGRAHARAM,
WORIUR,TRICHY-620003.
PHONE: 0431- 2761590.
Email:- bksundaram@gmail.com**

FORM No. MGT-13

Report of Scrutinizer

*[Pursuant to rule section 109 of the Companies Act, 2013 and rule 21(2) of the
Companies (Management and Administration) Rules, 2014]*

To
The Chairman and Managing Director,
KANDAGIRI SPINNING MILLS LIMITED,
P.B. NO.3, UDAYAPATTI PO,
SALEM - 636 140

Dear Sir,

Sub:- 39th Annual General Meeting of the Equity Shareholders of M/S KANDAGIRI
SPINNING MILLS LIMITED held on 27-09-2015 at 11.45 A.M

I, B.KALYANASUNDARAM, PRACTISING COMPANY SECRETARY, (CP. NO.2209 &
M.NO.A672), Prop of M/S B.K.SUNDARAM & ASSOCIATES, COMPANY SECRETARIES
have been appointed as a scrutinizer by M/s KANDAGIRI SPINNING MILLS LIMITED,
(CIN: L17111TZ1976PLC000762) having its registered office at P.B. NO.3,
UDAYAPATTI PO, SALEM - 636 140 for the purpose of poll taken on the below
mentioned resolution(s), at the 39th Annual General Meeting of the Equity
Shareholders of M/S KANDAGIRI SPINNING MILLS LIMITED, held on 27-09-2015 at
11.45 AM. I submit my report as under:

1. After the time fixed for closing of the poll by the Chairman, one ballot box kept for polling was locked in my presence with due identification marks placed by me.
2. The locked ballot box was subsequently opened in my presence and poll papers were diligently scrutinized. The poll papers were reconciled with the records maintained by the Registrar and Transfer Agents of the Company viz. M/S CAMEO CORPORATE SERVICES LIMITED, CHENNAI -600 002.
3. The poll papers, which were incomplete and/or which were otherwise found defective have been treated as invalid and kept separately.



4. The result of the Poll is as under:

ORDINARY BUSINESS :-

(a) Resolution 1 - Adoption of Financial Statements

(i) Voted in favour of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
9	509	100%

(ii) Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
9	935

(b) Resolution 2 – Appointment of Mr. S. VIJAY SHANKAR retiring Director

(i) Voted in favour of the resolution:

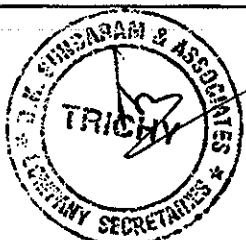
Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
9	509	100%

(ii) Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
9	935



(c) Resolution 3 – Appointment of Statutory Auditors

(i) Voted in favour of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
9	509	100%

(ii) Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
9	935

SPECIAL BUSINESS

(d) Resolution 4 – Reappointment of Mr.R. SELVARAJAN, CMD

(i) Voted in favour of the resolution:

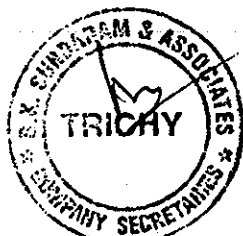
Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
9	509	100%

(ii) Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
9	935



(e) Resolution 5 - Revision in the remuneration package of Mr. S.VIJAY SHANKAR in his capacity as CFO

(i) Voted **in favour** of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
9	509	100%

(ii) Voted **against** the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) **Invalid votes :**

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
9	935

(f) Resolution 6 - Acceptance of deposits from members

(i) Voted **in favour** of the resolution:

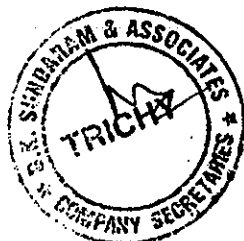
Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
9	509	100%

(ii) Voted **against** the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) **Invalid votes :**

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
9	935



(g) Resolution 7 – Ratification of remuneration payable to the Cost Auditors

(i) Voted **in favour** of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
9	509	100%

(ii) Voted **against** the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) **Invalid** votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
9	935

(h) Resolution 8 – Reissue of 16400 forfeited equity shares

(i) Voted **in favour** of the resolution:

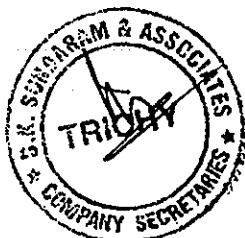
Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
9	509	100%

(ii) Voted **against** the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) **Invalid** votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
9	935



5. A Compact Disc (CD) containing a list of equity shareholders who voted "FOR", "AGAINST" and those whose votes were declared invalid for each resolution is enclosed.

6. The poll papers and all other relevant records were sealed and handed over to the COMPANY SECRETARY authorized by the Board for safe keeping.

Note: The invalid votes were rejected due to signature mismatch/ defect in the form. But the votes had been cast in favour of the resolutions.

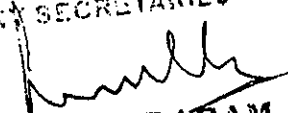
Thanking you,

Yours faithfully,

Place:Trichy
Date :28-09-2015



B. KALYANASUNDARAM & ASSOCIATES
COMPANY SECRETARIES


B. KALYANASUNDARAM
PRACTISING COMPANY SECRETARY
CP: 2209.



KANDAGIRI SPINNING MILLS LIMITED

Post Box No.3, Udayapatti, Salem 636 140.

Ph. 0427-2244400; Fax-0427-2244422, CIN : L17111TZ1976PLC000762

E mail: sales@kandagirimills.com; ksmcs@kandagirimills.com,

Website : www.kandagirimills.com

NOTICE TO THE SHAREHOLDERS

Notice is hereby given pursuant to section 96 and other applicable provisions of the Companies Act, 2013 that the Thirty Ninth Annual General Meeting of the Company will be held at the Mill Premises of Sambandam Spinning Mills Limited at Kamaraj Nagar Colony, Salem 636 014 on Sunday, **the 27th September, 2015 at 11.45 a.m** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date together with the notes annexed thereto and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Sri S. Vijay Shankar (holding DIN 00001711) who retires by rotation and being eligible, offers himself for re-appointment.

3. Appointment of Statutory Auditors

“RESOLVED THAT, pursuant to the provisions of section 139(2) and other applicable provisions, if any, of the Companies Act 2013 and the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. M.S.Krishnaswami & Rajan, Chartered Accountants (Firm registration No.01554S) be and are hereby re-appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting for the financial year 2015-16 on a remuneration of Rs.3,70,000/- (Rupees Three Lakhs and Seventy thousand only) excluding the out of pocket expenses that may be incurred by them in connection with the audit and excluding the applicable service tax.”

SPECIAL BUSINESS

4. Reappointment of Sri R. Selvarajan as Chairman and Managing Director

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the re-appointment of Sri R. Selvarajan (DIN: 00001703) as Chairman and Managing Director of the Company, for a period of 3 (three) years with effect from 01st October, 2015 eventhough he has attained seventy years of age on the following terms and conditions as approved by the Nomination and Remuneration Committee and the Board

- (i) Basic Salary – Rs. 2,40,000/- per month (Rupees Two lakhs and forty Thousand Only)
- (ii) Perquisites and Allowances – Rs. 1,60,000/- per month (Rupees One lakh and Sixty Thousand Only) details of which are set out in the Explanatory Statement annexed thereto

RESOLVED FURTHER THAT Sri R. Selvarajan will draw the remuneration as stated above as the minimum remuneration even in the absence of or inadequacy of profit in any financial year.”

5. Revision in the Remuneration package of Sri S. Vijay Shankar, in his capacity as Chief Financial Officer

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 Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for revision in the remuneration package of Sri S. Vijay Shankar (DIN 00001711), a non-executive director and relative of Chairman and Managing director Sri R. Selvarajan and Director Dr. A. Sarayu, for holding and continuing to hold the office or place of profit designated as Chief Financial Officer for a period of three years with effect from 01.10.2015 on the following terms and conditions as approved by the Nomination and Remuneration Committee, Audit Committee and the Board

(iii) Basic Salary – Rs. 1,80,000/- per month (Rupees One lakh and Eighty Thousand Only)

(iv) Perquisites and Allowances – Rs. 1,20,000/- per month (Rupees One lakh and Twenty Thousand Only) details of which are set out in the Explanatory Statement annexed thereto.”

6. Acceptance of Fixed deposits from Members of the Company

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to accept deposits from the members of the Company in accordance with the provisions of Section 73(2) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under (including any statutory modifications(s) or re-enactment(s) thereof for the time being in force) duly observing the procedure for accepting deposits from the members of the Company and within the limits prescribed there under.”

7. Ratification of remuneration payable to the Cost Auditors

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT the remuneration of Rs.2,50,000/- (Rupees Two lakhs Fifty thousand only) payable for audit of cost accounts of the Company for the financial year ending 31st March 2016 to M/s. S. Mahadevan & Co., Cost Accountants as recommended by the Audit Committee and approved by the Board of Directors of the Company pursuant to section 148 of the Companies Act 2013 read with rule 14 and other applicable rules of the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) excluding the out of pocket expenses that may be incurred by them in connection with the audit and excluding the applicable service tax be and is hereby ratified.

RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. Reissue of 16400 Forfeited Shares

To consider, and if thought fit, to pass with or without modification, the following Resolution, as an Ordinary Resolution :

“RESOLVED THAT sanction be and is hereby accorded to the Board of Directors pursuant to Article 31(i) of TABLE F of Schedule I to the Companies Act, 2013 to sell or otherwise dispose of on such terms and in such manner as the Board thinks fit, in the best interests of the Company, subject to obtaining necessary further approval from the Bombay Stock Exchange in which the shares are listed.

RESOLVED FURTHER THAT sanction be and is hereby accorded pursuant to Articles 33(ii) and 33(iii) of TABLE F of Schedule I of the said Act for the Board to receive the consideration, for the shares on any sale or disposal thereof and to execute transfer deeds in favour of the persons to whom the shares are sold or disposed of and the transferees shall thereupon be registered as holders of the shares.



RESOLVED FURTHER THAT sanction be and is hereby accorded to the Board of Directors to apply to the Bombay Stock Exchange pursuant to Clause 23 (a) of the Listing Agreement for their approval to issue the forfeited shares on the basis of the foregoing resolutions and to exempt the company from issuing or offering the forfeited shares to all the shareholders on pro-rata basis inasmuch as the quantum of forfeited shares constitutes just 0.4% of the issued shares of the Company.”

By order of the Board of Directors
For Kandagiri Spinning Mills Limited
J. Asifa
Company Secretary

Place : Salem

Date : August 12, 2015

NOTES :

1. A Member entitled to attend and vote is entitled to appoint proxy/proxies to attend and vote instead of himself/ herself and the proxy need not be a Member. Please read the instructions printed overleaf the Proxy Form attached to this notice before using the Form. The right of e-voting and Postal Ballot Form shall not be exercised by a Proxy.
2. The explanatory statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of special business set out under Items No. 4 to 8 of the Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday 19th September 2015 to Sunday 27th September 2015 (both days inclusive).
4. 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 'Subramaniam 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 contact the Company Secretary at the Registered Office of the Company.

In case of shareholders holding shares in demat form, all such intimations are to be sent to their respective Depository Participants (Dps).

Members can also submit their grievances direct to the Company at the following email ID:

sales@kandagirimills.com; ksmcs@kandagirimills.com

5. 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.
6. As per the provisions of Section 205A of the Companies Act, 1956, and Section 124(5) of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends declared up to the financial year 2006-07 and for the financial year 2007-08, it will be transferred to IEPF on 02.11.2015.
Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th September, 2014 (date of last AGM) on the website of the Company (www.kandagirimills.com) as also on the website of the Ministry of Corporate Affairs. Shareholders can ascertain the status of their unclaimed amounts from these websites.
7. 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 details to the RTA, Cameo Corporate Services Limited, at 'Subramaniam Building', No.1, Club House Road, Chennai – 600 002.
9. Additional information pursuant to clause 49 of the Listing agreement with the stock exchanges in respect of Directors seeking appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment(s).



10. 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.
11. Members who have not so far dematerialized their shares are advised to demat the shares held in physical form which will ensure safety and security for their shares

12 VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 39th AGM. The Company has engaged the services of Central Depository Securities Limited (CDSL) for this purpose.

The voting period begins on **23.09.2015 at 9.15 a.m and ends on 26.09.2015 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **21.09.2015 (cut-off date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" "KANDAGIRI SPINNING MILLS LIMITED" from the drop down menu and click on "SUBMIT".
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code (image verification) as displayed and Click on Login.
- (v) 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. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form or in 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 / RTA / DP are requested to use the first two letters of their name and the sequence number in the 'PAN field'. The S.L. 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 S.L. No. to fill the ten digit PAN field for this purpose, Example: If your name is Ramesh with S.L. No. 00003615 then enter RA00003615 in the 'PAN field'. If the name is V.K. Mohan with S.L. No. 00000005, enter VK00000005 in the 'PAN field'.
Date of Birth (DOB)	Enter the Date of Birth (as recorded in your demat account or in the Company records for the said demat account or folio) in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.



Please enter DOB or dividend bank details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) Click on the EVSN for the relevant <Company Name> “KANDAGIRI SPINNING MILLS LIMITED” on which you choose to vote.
- (ix) 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.
- (x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xiv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xv) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members acquiring shares after the dispatch of the notice:

- (i) Any person who acquires shares of the Company and becomes a member of the Company as on the cut-off date shall follow the above instructions to cast their vote through e-voting process.



13 VOTING THROUGH POSTAL BALLOT

In terms of Clause 35B of the Listing Agreement, those Members, who do not have access to e-voting facility provided by the Company for the AGM in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, may send their assent (FOR) or dissent (AGAINST) in writing on the Postal Ballot Form enclosed with the notice. For details of the scrutinizer and the steps followed for voting through postal ballot please refer instructions printed overleaf the postal ballot form.

14 VOTING AT THE VENUE OF THE AGM

In terms of the recent amendment to the Companies (Management and Administration) Rules, 2014, with respect to the voting through electronic means, the Company is pleased to offer the facility for voting by way of polling at the venue of the AGM. Members attending the meeting should note that **those who are entitled to vote but have not exercised their right to vote by 'Remote' e-voting may vote at the AGM through polling for all businesses specified in the Notice. Members who have exercised their right to vote by Remote e-voting may attend AGM but shall not vote at the AGM.** The voting rights of the members shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the 'cut-off' date being Monday, September 21, 2015.

15 Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case members casting their vote both by postal ballot and evoting, then voting done through e-voting shall prevail and voting done by postal ballot will be treated as invalid.

16 **SHRI B. KALYANASUNDARAM (MEMBERSHIP NO. 672) OF M/S B. K. SUNDARAM & ASSOCIATES PRACTISING COMPANY SECRETARIES** has been appointed as the Scrutinizer to scrutinize the AGM voting and remote e-voting process (including the ballot form received from the members who do not have access to the e-voting process) in a fair and transparent manner.

17 The Scrutinizer shall, immediately after the conclusion of the voting at the general meeting, will count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company.

18 The Scrutinizer not later than three days of the conclusion of the AGM shall submit a consolidated report of the total votes cast through remote e-voting process, postal ballot and votes cast at the AGM to the Chairman or any person authorised by him who shall countersign the same and declare the results of the voting forthwith.

19 The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kandagirimills.com and the website of the CDSL immediately after the declaration of result and shall also be immediately forwarded to the Stock Exchange where the Company's shares are listed.

20 Postal ballot Form, Proxy and Attendance Slips are enclosed in Page No. **81 & 83** respectively.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FOR ITEMS No. 4 to 8

Item No. 4 - RE-APPOINTMENT OF SRI R. SELVARAJAN, CMD

Board of directors of the Company at their meeting dated 30th May, 2012 had recommended the reappointment of Chairman and Managing Director Sri R. Selvarajan, for a period of three years on a monthly remuneration of Rs. 3,00,000 (inclusion of allowances and perquisites) with effect from 01.10.2012 based on the recommendation of the Nomination and Remuneration Committee and the same was approved by the members at the Annual General Meeting held on 13th August, 2012 by way of Special Resolution. The members also approved the remuneration in Compliance with Section II (1)(B) of Part II of Schedule XIII of the Companies Act, 1956.



Pursuant to the provisions of Section 196 of the Companies Act, 2013 effective from 01.04.2014 which enables for passing of special resolution for continuation of existing Managing Director who has attained the age of seventy years, Board of Directors at their meeting dated 13th August 2014, had recommended the continuation of Chairman and Managing Director Sri R. Selvarajan for his remaining tenure i.e., upto 30.09.2015 inspite of his attainment of seventy years of age on 01.10.2014, based on the recommendation of Nomination and Remuneration Committee keeping in view his expertise and knowledge in the field of textiles and his contribution to the company over the years which he had served and the same was approved by the members at the Annual General Meeting held on 28.09.2014 by passing special resolution.

The current tenure of Chairman and Managing Director Sri R. Selvarajan expires on 30th September, 2015. Leadership of Chairman and Managing director Sri R. Selvarajan, has led the Company to an exciting growth phase. Taking this into account and the responsibilities shouldered by Sri R. Selvarajan, Nomination and Remuneration Committee at its meeting held on 26th May, 2015 had recommended the reappointment of Sri R. Selvarajan as Chairman and Managing Director of the Company for a period of three years with effect from 01.10.2015 eventhough he attained seventy years of age, on the payment of the remuneration as set out hereunder and the same was approved by the Board at its meeting held on 28th May, 2015. The Nomination and Remuneration Committee and the Board are of the opinion that Chairman and Managing Director Sri R. Selvarajan is fit and proper person to hold the said office and the payment of remuneration as under will be in the interest of the Company. Accordingly, Board seeks the approval of the members by way of passing special resolution for the reappointment and remuneration payable to Chairman and Managing Director Sri R. Selvarajan even in the absence of or inadequacy of profit in any financial year as per the requirements specified under the provisions of Section 196, 197 read with Section II of Part II of Schedule V of Companies Act, 2013.

- (a) Basic Salary : Rs.2,40,000/- per month (Rupees Two lakh and forty thousand only)
- (b) Perquisites and Allowances : In addition to salary the following perquisites/ allowances may be payable to the Chairman and Managing Director, Sri R.Selvarajan.
- (i) Company's contribution to provident fund; (ii) Payment of Gratuity and other retirement benefits; (iii) Leave with full pay as per the rules of the Company with encashment of unavailed leave being allowed; (iv) Maintenance of residential accommodation, gas, water, electricity and power, furnishings and utility allowance; (v) reimbursement of medical expenses incurred in India and abroad for self and family including, in case of medical treatment abroad, air fare, boarding and lodging for patient and attendant; (vi) leave travel assistance and allowance; (vii) membership fees for clubs, including admission and life membership; (viii) hospitalisation and accident insurance; (ix) cost of insurance cover against the risk of any financial liability or loss because of any error of judgment; (x) free use of Company's car with driver for Company's work as well as for personal purpose along with driver, (xi) telephone, tele-fax and other communication facilities at Company's cost, (xii) subject to any statutory ceiling(s), the appointee may be given any other perquisites, benefits and facilities as the Nomination and Remuneration committee may, from time to time decide. Provided, however, that the aggregate of the perquisites stated above shall not exceed Rs. 1,60,000/- (Rupees one lakh and sixty thousand only) per month.
- (c) Valuation of perquisites : Perquisites shall be valued as per the income tax rules, wherever applicable and at actual cost to the company in other cases.
- (d) The Company's contribution to provident fund as per para (b)(i) above, payment of gratuity as per para (b)(ii) above and encashment of leave at the end of the tenure as per para (b)(iii) above shall not be included in the computation of perquisites for the purpose of ceiling.



The re-appointment and the remuneration proposed fulfil the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Central Government is not required. A copy of the agreement containing the terms and conditions of reappointment of CMD Sri R. Selvarajan is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto and including the date of the Annual General Meeting.

Information required under Section II of Part II of Schedule V of the Companies Act, 2013:

I General Information

- (1) Name of the industry : Textile
 (2) Date of commencement of Commercial Production : June 1976
 (3) Financial Performance : (Rs. Lakhs)

Particulars	2014 - 15	2013 - 14
Share Holders' fund	5149.05	5011.74
Non-Current Liabilities	5051.05	4234.70
Current Liabilities	6858.83	8130.14
Non-Current Assets	11472.06	12043.16
Income	18979.35	19391.15
Expenses	18752.68	18766.19
Profit / (Loss) before tax	226.67	579.66
Profit / (Loss) after tax	155.67	381.66
Earnings per Equity Share (Face value Rs.10/-) basic and diluted (in Rs.)	4.04	9.92
Total Capital Employed	9999.11	9045.51
Net worth per share (Rs.)	133.77	130.20
Profit before interest and Depreciation	2096	2541
Retained earnings	909.56	1164.76
Dividend (%)	Nil	Nil

(Rs. Lakhs)

Particulars	2014 - 15	2013 - 14
Export Performance (i) Earnings in Foreign and net foreign exchange Exchange	223.83	389.40
(ii) Expenditure in Foreign Currencies	7.18	10.03
Foreign Investments or Collaborations, if any	Nil	Nil

II Information about the appointee:

- (1) Background details : Sri R. Selvarajan, 70 years of age, is a Matriculate. He became the Chairman and Managing Director of the Company on October 23, 2002 and has the distinction of leading the Company since then. He has been on the Board of various companies and has more than four decades of experience in the field of textiles.
- (2) Past remuneration : Rs.3,00,000/- per month inclusive of perquisites such as House rent allowance, Medical reimbursement, gas, water and electricity, leave encashment, gratuity, club subscriptions and other usual perquisites.



- | | | |
|---|---|---|
| (3) Recognition and award | : | Nil |
| (4) (i) Job profile | : | As Chairman and Managing director Sri R. Selvarajan is in charge of the management of the affairs of the Company. |
| (ii) His suitability | : | Experience of Sri R. Selvarajan, of about three decades as Director of Sambandam Spinning Mills Limited and for the past 13 years as Managing Director of the Company makes him ideally suitable for the said position. |
| (5) Remuneration proposed | : | Rs.4,00,000/- per month inclusive of perquisites and other allowances as mentioned supra for Sri R. Selvarajan. |
| (6) Comparative remuneration Profile with respect to industry | : | Information not available |
| (7) Pecuniary relationship with the Company | : | Sri R. Selvarajan holds 7,78,730 equity shares of Rs.10 each in the Company |

III. Other information:

Reasons for inadequate profits, steps taken for improvement and expected increase in productivity:

The Company's profitability was affected mainly because of sudden fall in yarn prices, unexpected increase in the power tariff rate and back-outing of windmill generated power by TANGEDCO. Management is contemplating to initiate measures towards development of value added products and cost cutting measures, which are expected to improve the productivity and profitability of the company.

The proposed remuneration of Sri R.Selvarajan, Chairman and Managing Director is subject to the approval of the shareholders by way of special resolution at the ensuing Annual General Meeting of the Company.

None of the Directors and Key Managerial Personnel except Sri R. Selvarajan, Chairman and Managing Director as an appointee and Sri S. Vijay Shankar, Chief Financial Officer and Director & Dr. A. Sarayu as relative may be deemed to be concerned or interested in the Resolution.

The Notice together with this Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement.

Item No. 5 - REVISION IN THE REMUNERATION PACKAGE OF SRI S. VIJAY SHANKAR, IN HIS CAPACITY AS CHIEF FINANCIAL OFFICER

Sri S. Vijay Shankar, 38 year of age, is a graduate in Master of Business Administration. He is specialized in business administration and finance and became the Joint Managing Director of the Company on October 23, 2002 and has served the company since then. Sri S. Vijay Shankar resigned from the post of Joint managing Director and continued as non- executive director from 01.04.2014 and designated as Chief Financial Officer from 01.04.2014 on a monthly remuneration of Rs, 2,50,000/- by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and Audit Committee in their respective meetings held on 01.04.2014 in respect of the compliance specified under section 188(1)(f) of the Companies Act, 2013 read with the relevant rules framed thereunder and further he has not been paid any sitting fees, commission etc., in his capacity as non- executive director.

Board of directors of the Company in their meeting held on 28th May, 2015 had recommended the increase in the remuneration of Chief Financial Officer Sri S. Vijay Shankar for a period of three years with effect from 01.10.2015 as shown below based on the recommendation of Nomination and Remuneration Committee and Audit Committee and place for the approval of the members by way of passing Ordinary resolution.

- | | | |
|--------------------------------|---|--|
| (a) Basic Salary | : | Rs. 1,80,000/- per month (Rupees One lakh and Eighty thousand only) |
| (b) Perquisites and Allowances | : | In addition to salary the following perquisites/ allowances may be payable to the Chief Financial Officer Sri S. Vijay Shankar |



(i) Company's contribution to provident fund; (ii) Payment of Gratuity and other retirement benefits; (iii) Leave with full pay as per the rules of the Company with encashment of unavailed leave being allowed; (iv) Maintenance of residential accommodation, gas, water, electricity and power, furnishings and utility allowance; (v) reimbursement of medical expenses incurred in India and abroad for self and family including, in case of medical treatment abroad, air fare, boarding and lodging for patient and attendant; (vi) leave travel assistance and allowance; (vii) membership fees for clubs, including admission and life membership; (viii) hospitalisation and accident insurance; (ix) cost of insurance cover against the risk of any financial liability or loss because of any error of judgment; (x) free use of Company's car with driver for Company's work as well as for personal purpose along with driver, (xi) telephone, tele-fax and other communication facilities at Company's cost, (xii) subject to any statutory ceiling(s), the appointee may be given any other perquisites, benefits and facilities as the remuneration committee may, from time to time decide. Provided, however, that the aggregate of the perquisites stated above shall not exceed Rs. 1,20,000/- (Rupees one lakh and twenty thousand only) per month.

(c) Valuation of perquisites : Perquisites shall be valued as per the income tax rules wherever applicable and at actual cost to the company in other cases.

(d) The Company's contribution to provident fund as per para (b)(i) above, payment of gratuity as per para (b)(ii) above and encashment of leave at the end of the tenure as per para (b)(iii) above shall not be included in the computation of perquisites for the purpose of ceiling.

Further Sri S. Vijay Shankar won't be entitled to any sitting fees, commission etc., in his capacity as non-executive director.

None of the Directors and Key Managerial Personnel except Sri S. Vijay Shankar, Chief Financial Officer and Director to whom the resolution relates and Sri R. Selvarajan, Chairman and Managing Director & Dr. A. Sarayu as relative may be deemed to be concerned or interested in the Resolution.

Item No.6 -ACCEPTANCE OF DEPOSITS FROM MEMBERS OF THE COMPANY

Section 73(2) of the Companies Act 2013 prescribes that approval of the members by passing a resolution at the General Meeting is required for the Board of Directors to accept deposits from the shareholders of the Company. The Board Do Not Contemplate To Accept Deposits As At Present. However, the rules prescribed under the Act prescribe certain procedures to be followed by the Company before accepting deposits from the members. After securing the approval of members at the AGM, board will decide about the timing for accepting deposits from the members after complying with the prescribed procedure in this regard. Board of directors recommends the resolution for members' approval.

None of the directors/Key Managerial Personnel or their relatives is interested or concerned in the resolution.

Item No.7 - RATIFICATION OF THE REMUNERATION PAYABLE TO COST AUDITORS

As recommended by the Audit Committee at the Audit Committee Meeting held on 27th May 2015, board of directors have approved the appointment of M/s. S. Mahadevan & Co., Cost Accountants for audit of cost accounts of the Company on payment of Rs.2,50,000/- (Rupees two lakhs fifty thousand only) excluding out of pocket expenses and service tax for the year ending 31st March 2016. Board of directors has accepted the recommendation of the Audit committee and approved their appointment. As per the provisions of Section 148 of the Companies Act 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014, remuneration payable to the cost auditor as approved by the Board of directors of the Company shall be ratified by the shareholders. Resolution for this purpose is placed for consideration of members for ratification of the remuneration as stated in the resolution. None of the directors or the key managerial personnel or their relatives is interested in the resolution.

Item No.8 – REISSUE OF 16400 FORFEITED SHARES

Section 62 of the Companies Act, 2013 deals with the procedures to be followed by the existing Companies, while making, further issues of shares.



Article 31 (i) of TABLE F of Schedule I to the Companies Act, 2013 provides that a forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

Article 33 (i) and (ii) of TABLE F of Schedule I to the Companies Act, 2013 provides that the Company may receive the consideration, for the shares on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and a duly verified declaration in writing that the declarant is a Director or Manager or Secretary, of the Company, and that the shares in the Company had been duly forfeited on the date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share and the transferee shall thereupon be registered as the holder of the shares.

Thus as per TABLE F of Schedule I of the Companies Act 2013, reissue of forfeited shares is not further issue of shares and hence there is no need to comply with the provisions of Sec.62 of the Companies Act, 2013.

The Shares of the Company are listed in the Bombay Stock Exchange. Clause 23(a) of the Listing Agreement reads as follows:

The Company agrees (a) to issue or offer in the first instance all shares (including forfeited shares, unless the Exchange otherwise agrees), securities, rights, privileges and benefits to subscribe to pro-rata to the equity shareholders of the Company unless the shareholders in the general meeting decide otherwise;

A public issue of 11,36,500 Equity shares of Rs.10/- each, at a premium of Rs.40/- per share, was made in 1995. Out of the said 11,36,500 Equity shares, 16400 Equity Shares were forfeited by the Board of Directors at the meeting held on 24th June, 2002 consequent upon non payment of the allotment / call money payable in respect of those shares.

Board of Directors of the Company at the Board Meeting held on 12th August, 2015 decided to recommend to the shareholders to pass the resolutions as stated under the agenda item No.8 with reference to the conditions interalia contained in the Listing Agreement with BSE.

If the forfeited shares are to be reissued on pro-rata basis it will work out to approximately one share for every 250 shares held by the shareholder and such an offer of shares at the present market price of around Rs.80/- per share does not result in any reasonable benefit to the shareholder who opts to buy the share. Non-offer of shares on such pro-rata basis will not prejudicially affect the interest of the shareholders. The Board has therefore decided to dispose of the shares by following the procedure as laid down in Clauses 31 and 33 of TABLE F of Schedule I of the Companies Act, 2013 at the best price possible based on the prevailing market price.

Approval of the Shareholders pursuant to clause 23(a) of the Listing Agreement with the Bombay Stock Exchange is needed and hence the subject is placed before the shareholders. The Board recommends to the shareholders to pass the resolutions as ORDINARY RESOLUTIONS. On the strength of the shareholders resolutions, the Stock Exchange will be approached seeking permission to re-issue the forfeited shares by waiving the condition of offering the shares on pro-rata basis to all the shareholders of the Company.

It is declared pursuant to Section 102 of the Companies Act, 2013 that none of the directors / relatives of directors / Key Managerial Personnel / Manager is interested, except to the extent stated in the explanatory statement for each of the special business in any respect, except in their capacity as Directors and/or shareholders of the Company. It is further declared with reference to the proviso to sub-section 2 of Section 102 of the Companies Act, 2013 that the proposed resolutions do not have any bearing with the business of any other Company. The documents relating to the subject matters under special business are open for inspection by the shareholders during office hours on all working days during business hours at the Registered Office of the Company till the date of the ensuing Annual General Meeting.

By order of the Board of Directors
For Kandagiri Spinning Mills Limited
J. Asifa
Company Secretary

Place : Salem
Date : August 12, 2015



Disclosure under Clause 49 of the Listing Agreement in respect of Directors seeking Appointment / Re-appointment at the 39th AGM

Name of Director	Sri R. Selvarajan	Sri S. Vijay Shankar
DIN	00001703	00001711
Date of Birth	1-10-1944	23-01-1977
Date of Appointment (Initial appointment)	23-10--2002	23-10--2002
Qualification	Matriculate	MBA
Expertise in specific functional areas	He became the Chairman and Managing Director of the Company on 23 rd October, 2002 and has the distinction of leading the company since then. He has been on the Board of various companies and has more than four decades of experience in the field of textile industry.	He became the Joint Managing Director of the Company on 23 rd October, 2002 and has served the company since then. Sri S. Vijay Shankar resigned from the post of Joint managing Director and continued as non-executive director from 01.04.2014 and designated as Chief Financial Officer from 01.04.2014
Directorship / Committee membership in other Companies	<p>Directorship:</p> <ol style="list-style-type: none"> 1. SPMM Health Care Services Private Limited, Salem (SPMM) 2. Sambandam Siva Textiles Private Limited, Salem (SSTPL) 3. Sambandam Investment Leasing Limited, Salem (SILL) 4. Sambandam Fabrics Private Limited, Salem (SFPV) 5. Sambandam Textiles Private Limited, Salem (STPL) <p>Committee Membership : Nil</p>	<p>Directorship:</p> <ol style="list-style-type: none"> 1. SPMM Health Care Services Private Limited, Salem (SPMM) <p>Committee Membership : Nil</p>
No of shares in the Company	7,78,730	4,09,582
Inter se relationship with any other director	He is related to Chief Financial Officer & Director Sri S. Vijay Shankar and Director Dr. A. Sarayu	He is related to Chairman and Managing Director Sri R. Selvarajan and Director Dr. A. Sarayu

Place : Salem
Date : August 12, 2015

By order of the Board of Directors
For Kandagiri Spinning Mills Limited
J. Asifa
Company Secretary