



Kandagiri Spinning Mills Ltd.

Ref: KSML/CS/021/2016-17

9th July, 2016

To
The Listing Department,
Bombay Stock Exchange Limited,
Floor 25, P.J.Towers,
Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Notice of 40th AGM of the Company scheduled to be held on 06.08.2016 and Book Closure Advertisement

Ref: Regulation 42, 44 and 47(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the above captioned subject, we herewith inform you that the 40th AGM of the Company is scheduled to be held on 06.08.2016.


Kindly note that the Registrar of Members and the Share Transfer Books of our Company will remain closed from Sunday 31st July, 2016 to Saturday 6th August, 2016 (both days inclusive) for the purpose of the AGM.

Further herewith enclosed, Notice convening the ensuing 40th Annual General Meeting of the Company and text of newspaper publication (intimating closure of transfer books for the purpose of AGM and details of remote e-voting facility for the AGM resolutions) arranged to be published on 10th July, 2016.

Kindly take the same for your records.

Thanking you,

Yours faithfully,
For Kandagiri Spinning Mills Limited


J. Asifa
Company Secretary

Encl:

1. Notice convening the 40th AGM of the Company.
2. Text of Newspaper Publication



CIN : L11724970PLC000762
Regd. Off: Mill Premises, Udaypatti (P.O), P.B.No.3, Salem - 636 140. Phone : Mill 0427-2244400
Fax:0427-2244422; Grams.SUPERSPINE; e-mail:sales@kandagirimills.com; Web: www.kandagirimills.com





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 Fortieth 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 Saturday, **the 6th August, 2016 at 11.30 a.m** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt
 - a. The Audited Financial Statements of the Company for the year ended March 31, 2016 together with the notes annexed thereto and the reports of the Board of Directors and the Auditors thereon.
 - b. The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2016 together with the notes annexed thereto and the report of the Auditors thereon.
2. To appoint a director in the place of Sri S. Devarajan (holding DIN 00001910) 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 2016-17 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. 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.”

5. 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, 2017 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."

By order of the Board of Directors
For **Kandagiri Spinning Mills Limited**

J. Asifa
Company Secretary

Place : Salem
Date : May 21, 2016

NOTES :

1. A Member entitled to attend and vote is entitled to appoint proxy/proxies to attend and vote on poll 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 remote e-voting 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 and 5 of the Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from July 31, 2016 (Sunday) to August 6, 2016 (Saturday) (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 (DP). 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, 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 2007-08.

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 27th September, 2015 (date of last AGM) on the website of the Company (www.kandagirimills.com) and the relevant form is filed with 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 'Subramanian Building', No.1, Club House Road, Chennai – 600 002.
9. Additional information pursuant to regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment / re-appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment(s).
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. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website : www.kandagirimills.com

13 VOTING THROUGH ELECTRONIC MEANS [Remote E-voting]

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 40th AGM. The Company has engaged the services of Central Depository Securities Limited (CDSL) for this purpose.

The voting period begins on 02.08.2016 at 9.15 a.m and ends on 05.08.2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **Saturday, 30.07.2016 (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

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.



(xvii) 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:

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.

14 VOTING AT THE VENUE OF THE AGM

In terms of Companies (Management and Administration) Amendment Rules, 2015 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.**

- 15 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 Saturday, 30th July, 2016.
- 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 remote e-voting and AGM Venue voting processes in a fair and transparent manner.
- 17 The Scrutinizer shall, immediately after the conclusion of the voting at the general meeting 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 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 All documents referred to in this notices will be available for inspection during business hours of the Company until the date of the Annual General Meeting of the Company.
- 21 Proxy Form and Attendance Slip enclosed in Page No **99 & 100** respectively.

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

Item No.4 - 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.5 - Ratification of the Remuneration Payable to Cost Auditors

As recommended by the Audit Committee at the Audit Committee Meeting held on 20th May, 2016, 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, 2017. Board of directors have 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.

By order of the Board of Directors
For **Kandagiri Spinning Mills Limited**

Place : Salem
Date : May 21, 2016

J. Asifa
Company Secretary

Details of Director seeking re-appointment

Name of the Director	Sri S. Devarajan
DIN	00001910
Date of birth	12-09-1949
Date of Appointment	17-04-1978
Qualification	B.Sc.
Expertise in Specific Functional areas	He is an industrialist and he is the son of promoter director Sri S. P. Sambandam. He was first appointed to the Board in the year 1978 and has since been reappointed over the years by rotation. At present he is the Managing Director of Sambandam Spinning Mills Limited and Chairman of SPMM Healthcare Services Private Limited
Directorship/Committee Membership in other Companies	<p>Directorship</p> <ol style="list-style-type: none"> 1. Sambandam Spinning Mills Limited, Salem (SSML) 2. SPMM Health Care Services Private Limited, Salem (SPMM) 3. Sambandam Siva Textiles Private Limited, Salem (SSTPL) 4. Sambandam Investment & Leasing Limited, Salem (SILL) 5. Sambandam Fabrics Private Ltd, Salem (SFPV) 6. Sambandam Textiles Private Ltd, Salem (STPL) 7. Salem IVF Centre Private Limited <p>Committee Membership in SSML</p> <p>Chairman of Share Transfer Committee, Finance Committee, CSR Committee and Member of Stakeholders' Relationship Committee</p>
No. of Shares in the Company	92,227
Inter-se relationship with any other director	NIL
Number of Board meetings attended during the year	Attended: Five (5). Board Meetings held during the year : Five (5)



Kandagiri Spinning Mills Ltd.

(TEXT OF NEWSPAPER PUBLICATION)

KANDAGIRI SPINNING MILLS LIMITED

Corporate Identity Number (CIN): L17111TZ1976PLC000762

Registered Office: POST BAG NO.3, UDAYAPATTI P.O SALEM - 636 140

Tel: 0427 2244400 Fax: 0427 2244422

Email: sales@kandagirimills.com Website: www.kandagirimills.com

Notice is hereby given that the 40th Annual General Meeting (AGM) of the Company will be held on Saturday, 06-08-2016 at 11.30 a.m. at the Mill Premises of Sambandam Spinning Mills Limited, Kamaraj Nagar Colony, Salem - 636 014. Notice convening the 40th AGM of the Company along with the Annual Report for the year 2015-16 has been sent to the members to their registered addresses in the permitted mode and electronically to those members who have registered their email addresses on 09-07-2016. Full text of the above documents has also been hosted in the Company's website www.kandagirimills.com. These documents are also available for inspection at the Registered Office of the Company during business hours up to the date of the AGM on 06-08-2016.

Notice is given pursuant to Section 91 of the Companies Act, 2013 (the Act) and regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Register of Members and the Share Transfer books will remain closed from 31-07-2016 to 06-08-2016 (both days inclusive) for the purpose of AGM.

In compliance with the provisions of Section 108 of the Act, read with the relevant Rules as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company has offered members remote e-voting facility to cast their vote for all the resolutions mentioned in the Notice of the 40th AGM. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide remote e-voting facility. **The remote e-voting period commences at 9.15 a.m. on 02.08.2016 and ends at 5.00 p.m. on 05.08.2016.** No e-voting will be allowed beyond the said date and time. The facility of voting through polling shall be made available at the venue of the AGM and the members attending AGM who have not cast their vote through remote e-voting are entitled to vote at the AGM through poll.

Members exercised their vote through remote e-voting shall attend the AGM but are not entitled to vote at the venue of the AGM.

A person whose name appears in the register of members/beneficial owners on the cut-off date i.e., 30.07.2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the venue of the AGM. Members including those who become member of the Company after dispatch of the notice and holding shares on the cut-off date shall refer the detailed instructions for e-voting described under Clause 13 "Voting through electronic means" of notes of the AGM notice to cast their vote through remote e-voting facility.

Shri B. Kalyanasundaram of B.K. Sundaram & Associates, Practising Company Secretary has been appointed as the Scrutinizer for remote e-voting and polling processes.

Any query/grievance relating to remote e-voting should be addressed to the Company Secretary, at the address or e-mail ID or phone No. mentioned above.

In case of any queries relating to remote e-voting, members may also refer to the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Salem
09.07.2016



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

