



SAMBANDAM SPINNING MILLS LIMITED



Registered Office : KAMARAJ NAGAR COLONY, SALEM – 636 014
 Corporate Identity Number (CIN) : L17111TZ1973PLC000675
 Website : www.sambandam.com, Email : corporate@sambandam.com
 Tel : 0427 2240790 Fax : 0427 2240169

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Forty third Annual General Meeting (AGM) of the members of the Company will be held **at 10.45 a.m on Saturday the 12th August, 2017** at the Registered Office of the Company in Kamaraj Nagar Colony, Salem to transact the following business:

ORDINARY BUSINESS

Item ADOPTION OF FINANCIAL STATEMENTS

No.1 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT the Standalone and Consolidated Audited Balance Sheet as at 31st March 2017 together with the Statement of Profit and Loss, cash flow statement and notes to accounts for the year ended as on that date and the Reports of the Directors and the Auditors thereon be and are hereby received, considered and adopted.”

Item DECLARATION OF DIVIDEND

No.2 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT dividend of rupees 4 (four) per equity share of rupees ten each be declared for the financial year ended 31st March 2017 and that the same be paid, only if approved by the Company's bankers, out of the profits of the Company for the financial year ended 31st March 2017 to those shareholders whose names appear in the Register of Members as on 5th August 2017 in the case of members holding shares in physical form and to the beneficial holders of the dematerialised shares as on 5th August 2017 as per the details provided by Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) in the case of the shares held in electronic form.”

Item RE-APPOINTMENT OF MRS.S.ABIRAMI, DIRECTOR RETIRING BY ROTATION

No.3 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs.S.Abirami holding DIN 06953377, Director retiring by rotation at this AGM be and is hereby re-appointed as Non-executive director of the company”

Item APPOINTMENT OF STATUTORY AUDITOR

No.4 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

“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 thereof for the time being in force), M/s. S.Sundarajan & Associates, Chartered Accountants (Firm registration No.008282S) be and they are hereby 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 2017-18 on a remuneration of Rs 5,00,000/- (Rupees Five lakh 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****Item RATIFICATION OF THE REMUNERATION PAYABLE TO COST AUDITOR**

No. 5 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT the remuneration of Rs.75,000 payable for audit of cost accounts relating to the Spinning Division and Rs.25,000 payable for audit of cost accounts relating to the Wind Mill Division of the Company for the financial year ending 31st March 2018 to M/s.K.M.Krishnamurthy & Co., Cost Accountants (firm registration number:102198) 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.”

Item APPOINTMENT OF DR.V.SEKAR –INDEPENDENT DIRECTOR

No 6 To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. V. Sekar (holding DIN 03128187), who was appointed as Additional Director (Non-Executive, Independent) of the Company by the Board of Directors with effect from 25th March, 2017 and shall hold office up to this (43rd) Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation to hold office upto the Conclusion of the 47th Annual General Meeting of the Company with effect from 25th March, 2017.”

Item APPOINTMENT OF MR. D.BALASUNDARAM –INDEPENDENT DIRECTOR

No 7 To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri D. Balasundaram (holding DIN 07800844), who was appointed as Additional Director (Non-Executive, Independent) of the Company by the Board of Directors with effect from 6th May, 2017 and shall hold office up to this (43rd) Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation to hold office upto the conclusion of the 47th Annual General Meeting of the Company with effect from 6th May, 2017.”

Item APPOINTMENT OF DR.R.RAMARATHNAM –INDEPENDENT DIRECTOR

No 8 To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. R. Ramarathnam (holding DIN 02175098), who was appointed as Additional Director (Non-Executive, Independent) of the Company by the Board of Directors with effect from 6th May, 2017 and shall hold office up to this (43rd) Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation to hold office upto the Conclusion of the 47th Annual General Meeting of the Company with effect from 6th May, 2017.”



Item ACCEPTANCE OF FIXED DEPOSITS FROM MEMBERS OF THE COMPANY

No. 9 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 fixed 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 modification(s) or re-enactment thereof for the time being in force) duly observing the procedure for accepting fixed deposits from the members of the Company and within the limits prescribed therefor.

“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.”

For and on behalf of the Board of
Sambandam Spinning Mills Limited
S. Natarajan
Company Secretary

Place : **Salem**

Date : **May 06, 2017**

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. The right of e voting shall not be exercised by proxy. Proxy Form for the AGM is attached. The proxy form in order to be effective should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited Companies, Societies, etc., must be supported by appropriate Resolutions / Authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member is entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 days advance notice in writing is given to the Company.
- 2 Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Items No.2 to 9 (though not mandatory for items No.2, 3 and 4) of the Notice to be transacted at the AGM is annexed hereto.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed from 06.08.2017 to 12.08.2017, (both days inclusive) for determining the entitlement of the shareholders to the dividend for year ended 31st March 2017.
- 4 Payment of dividend is subject to the approval of the Company's Bankers. Even if the resolution under item No.2 is passed by members at the AGM (by electronic voting or by postal ballot or by ballot paper) Dividend Warrants will be sent to the members only if approved by the Company's Bankers. In the case of shareholders opting for NECS/ECS, the dividend would in the normal course be credited to their respective accounts. Shareholders must inform the RTA in writing, if they hold shares in physical form (Share Certificate) and to their Depository Participants if they hold shares in DEMAT Form (Electronic Form) furnishing the Bank A/c details attaching a cancelled cheque leaf of that Bank Account for ensuring direct credit of the Dividend to their Bank Account.



- 5 Members holding shares in physical form are requested to notify the RTA any change in their address or bank A/c. particulars immediately and not later than 05.08.2017 and members holding shares in electronic (DEMAT) form are requested to notify any change in their address or Bank details to their respective Depository Participant, latest by 05.08.2017, so that the dividend warrants could be sent to their Bank A/c / present address. Members are also advised to intimate the details of their bank account to enable electronic remittance of dividend warrants. This would help to avoid fraudulent encashment of dividend warrants. In case of shareholders holding shares in physical form, all intimations for recording change of address, bank mandate, or nominations and for redress of any grievance are to be sent to Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai – 600 002 who are the Registrars and Share Transfer Agents (RTA) of the Company. In case of persons holding shares in Demat form, all such intimations should be sent to their respective Depository Participants (DPs). Members can also submit their grievances by e-mail direct to the Company at the following e-mail ID : **cs@sambandam.com,**
corporate@sambandam.com
- 6 The Company offers two electronic platforms for credit of dividend i.e., (a) Electronic Clearing Service (ECS) and (b) National Electronic Clearing System (NECS). The advantages of NECS over ECS include faster credit of remittances to beneficiary's account and coverage of more bank branches. NECS operates on the unique bank account number (having not less than 10 digits) allotted by banks after implementation of the Core Banking Solutions (CBS).
- The NECS compliant account number is required to be intimated to your Depository Participant (in case your shares are in Demat mode) or to the Company's RTA, M/s Cameo Corporate Services Limited, (in case your shares are in physical mode) for effecting the dividend payment direct to your bank account through the NECS mode. All such intimations, with a cheque leaf of that Bank A/c have to be done before 05.08.2017.. Members are encouraged to use the electronic platforms for receiving dividends.
- 7 As per the SEBI Regulations, a person holding the Company's shares / acquiring the Company's shares (voting rights) exceeding 5% of the paid up share capital (two lakhs equity shares of the Company together with their existing holdings) shall inform the Company within 2 working days of acquisition of the Company's shares before sending the share transfer documents to Cameo Corporate Services Ltd., for registering the shares in their name. Similarly persons already holding 5% or more (more than two lakhs) equity shares of the Company shall inform the Company if they sell or transfer any of their shares within 2 working days of sale of their shares.
- 8 As per the provisions of the Companies Act, facility for making nomination is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the RTA / Depository Participants.
- 9 As per the provisions of Section 125 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.

Pursuant to the provisions of the 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 8 th august 2016 (date of last AGM) on the website of the Company (www.sambandam.com). Shareholders can ascertain the status of their unclaimed amounts from these websites, and write to the Company immediately to claim that amount.



- 10 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 (DEMAT) 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 copy of their PAN card to the RTA, Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai-600 002.
- 11 Additional information in respect of the Director seeking reappointment at the AGM is furnished here under which forms part of the Notice.
- 12 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.
- 13 Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amended Rules 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Company is pleased to offer Electronic Voting (e-voting) facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 43rd AGM. The Company has engaged the services of Central Depository Securities Limited (CDSL) for this purpose.

Instructions for members for e-voting :-

- (i) THE CUT OFF DATE FOR THE PURPOSE OF E-VOTING HAS BEEN FIXED AS SATURDAY, 5th AUGUST 2017. MEMBERS HOLDING SHARES AS ON THIS CUT OFF DATE SHOULD ENDEAVOUR TO CAST THEIR VOTES IN ANY ONE OF THE THREE MODES.
- (ii) IN CASE A SHAREHOLDER BY INADVERTANCE OR OTHERWISE HAS VOTED UNDER MORE THAN ONE OPTION, HIS VOTING ONLY BY ONE MODE THROUGH REMOTE E-VOTING, POSTAL BALLOT OR VOTING AT THE MEETING WILL BE CONSIDERED IN THAT SERIATIM.
- (iii) VOTING RIGHTS OF SHAREHOLDERS SHALL BE IN PROPORTION TO THEIR SHAREHOLDINGS IN THE COMPANY AS ON THE CUT OFF DATE i.e. 5th August 2017
- (iv) CS B.KALYANASUNDARAM (MEMBERSHIP NO.672) OF M/S. B.K.SUNDARAM & ASSOCIATES PRACTISING COMPANY SECRETARIES has been appointed as SCRUTINIZER to scrutinize the e-voting process in a fair and transparent manner. Result of the voting on all resolutions will be declared within three days after the AGM. The results declared along with the Scrutinizer's Report will be available on the Company's Website within three (3) days of passing of the Resolutions at the AGM of the Company and the results will also be communicated to the Bombay Stock Exchange.
- (v) The Scrutinizer will ascertain the result after the conclusion of voting at the AGM by the following Process:
 - a) First count/record the votes cast at the meeting by polling paper;
 - b) Then count/record the votes cast through postal ballot;
 - c) Thereafter unblock the votes cast through e-Voting;
 - d) All the above will be done in the presence of two witnesses not in the employment of the Company.
 - e) Prepare a consolidated Scrutinizer's Report (integrating the votes cast at the meeting, by postal ballot and e-Voting) of the total votes cast in favour or against, if any, and submit it to the Chairman.
 - f) The Scrutinizer's Report as above would be made soon after the conclusion of AGM and in any event not later than three days from the conclusion of the Meeting.



(vi) Voting Results

- a) The Chairman or a person authorized by him will declare the result of the voting based on the Scrutinizer's Report.
- b) The results declared along with the Scrutinizer's Report will be placed on the Company's website www.sambandam.com immediately after the result is declared and also communicated to BSE.
- c) Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the AGM.

(vii) The e-voting period begins at 9.15 a.m. on 08.08.2017 and ends at 5.00 p.m. on 11.08.2017. This period is called 'remote e-voting period'. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date ie, 05.08.2017 may cast their vote electronically. At the end of this period, the remote e-voting facility will be disabled by CDSL.

14 Notice of the AGM along with the Annual Report is being sent to the shareholders whose names are borne in the Register of Members as on 07.07.2017. Those who acquire the Company's shares subsequently and continue to hold the shares till the cut off date i.e. 05.08.2017 may contact the RTA, Cameo Corporate Services to obtain their pass word for casting their vote by e-voting. AGM Notice with the Ballot paper, Proxy Form, Attendance Slip and the Annual Report will be uploaded in the Company's Website www.sambandam.com. Print out of the ballot paper, Proxy Form and Attendance Slip can be taken and used by the shareholders entitled to vote at the AGM stating their Folio No., Client ID and shareholding details.

15 For e-voting, (a) Log on to the e-voting website www.evotingindia.com, Click on 'Shareholders' tab; Select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"; (b) 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 as displayed and Click on Login. If you are holding shares in Demat form and have already done e-voting of any Company, then your existing password can be used.

If you are a first time user follow the steps given below.

Fill up the following details in the appropriate boxes:

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/ Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. The eight digit S.L.No. printed on your address slip posted on the Annual Report envelope is the sequence number 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.00000015 enter VK00000015 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. * Enter the DOB or Dividend Bank details in order to login. If the details are not recorded with the Company enter the user ID (folio number) in the Dividend Bank details field as mentioned in instruction 15 above.

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



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 enter their login password in the new password field. Kindly note that this password is also to be 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.

Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- a) On the voting page, you will see Resolution Description and against each Resolution, 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.
- b) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- c) 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.
- d) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- e) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- f) 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.
- g) 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.
- h) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i) Shareholders may participate at the Annual General Meeting even after exercising their right to vote through remote e-voting or postal ballot but shall not be entitled / allowed to vote again at the meeting.
- j) 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

Shareholders who are unable to exercise their voting right through e-voting can use the Postal Ballot Paper attached to this notice to exercise their voting right by placing tick mark at the appropriate box against each resolution stated on the Ballot paper to record their assent (Yes) or dissent (No), enter the date and place, affix signature at the place provided in that paper and send it to the Scrutinizer at his address furnished in the Postal Ballot Paper to reach him latest by 5.00 p.m. on 11.08.2017. Shareholders who have not exercised their voting right either by remote e-voting or by Postal Ballot can exercise their voting right at the Annual General Meeting using the Ballot Paper attached to this Notice.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FOR ITEMS No.2 to 9

Item DECLARATION OF DIVIDEND

No.2 Board of Directors has recommended payment of 40% dividend on the paid up equity share capital of the Company for the financial year 2016-17 subject to the approval of the Company's Bankers. Even if the resolution under item No.2 is passed by members (by electronic voting or by polling at the AGM) Dividend could be paid only if approved by the Company's Bankers.

Item RE-APPOINTMENT OF SMT. S.ABIRAMI, DIRECTOR RETIRING BY ROTATION

No.3 Sec 149 of the Companies Act 2013 and SEBI (LODR) required all listed Companies to have at least one women director on the board of directors of the Company. Notice under sec 160 of the act has been received from Mrs D. Saradhamani a member proposing the re-appointment of Smt. S.Abirami, DIN 06953377 as a director of the Company. She is not holding any shares in the Company. She is related to Sri S.Devarajan CMD and D.Sudharsan another director of the company. Board of directors recommends the resolution for members' approval. None of the other Directors or the Key Managerial Personnel or their relatives is interested or concerned in the Resolution.

Item APPOINTMENT OF STATUTORY AUDITORS

No.4 Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the relevant rules, an audit firm which had completed two terms of five consecutive years or more in a listed company shall be eligible for appointment for three more consecutive years as Statutory Auditors in the same company. After completion of the referred three years, new Audit Firm need to be appointed. In accordance with the above compliance, in place of existing Audit firm M/s M.S. Krishnaswami & Rajan who has completed the above referred three years, Board recommends for appointment of M/s R. Sundararajan & Associates, Chartered Accountants (Firm registration No.008282S) [who have confirmed their eligibility and willingness for appointment] as Statutory Auditors of the Company for the FY 2017-18. None of the other Directors or the Key Managerial Personnel or their relatives is interested or concerned in the Resolution.

Item RATIFICATION OF THE REMUNERATION PAYABLE TO COST AUDITORS

No.5 Though it is not mandatory, as a best Corporate Governance practice, by way of rotation in place of existing Cost auditors of the Company M/s. S. MAHADEVAN & CO., Audit Committee at the Audit Committee Meeting held on 05th May 2017, board of directors have approved the appointment of M/s.K.M.Krishnamurthy & Co., (Firm Reg No 102198 Cost Accountants for audit of cost accounts relating to the Spinning Division on payment of remuneration of Rs.75,000 and for audit of cost accounts relating to the Wind Mill Division of the Company on payment of Rs.25,000/- aggregating to Rs 1,00,000/- (Rupees one lakh only) excluding out of pocket expenses and service tax for the year ending 31st March 2018. 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.6 to 8 : APPOINTMENT OF NON EXECUTIVE INDEPENDENT DIRECTORS

The Independent Directors proposed to be appointed as specified in the resolutions 6 to 8 (Dr. V. Sekar, Dr. R. Ramarathnam and Sri D. Balasundaram) were appointed as Additional Directors in the Board meetings as stated in the respective resolutions and they shall hold office upto this (43rd) Annual General Meeting of the Company.

Nomination and Remuneration Committee at its meeting held on 05th May, 2017 had recommended appointment of these directors as Non-Executive Independent Directors, not liable to retire by rotation who shall hold office upto the Conclusion of the 47th Annual General Meeting of the Company.



The Company has received notice from the members along with the requisite deposit amount under section 160 of the Companies Act, 2013 proposing the candidature of the aforesaid directors for the office of Independent director. The company has also received from the aforesaid directors, a declaration to the effect that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Accordingly, Board places the resolution for the appointment of these directors (Dr. V. Sekar, Dr. R. Ramarathnam and Sri D. Balasundaram) as Non-Executive Independent directors before the members for their approval. Details of the directors as required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the annexure.

Except the directors to whom the respective resolution relates, no other director or Key Managerial Personnel or their relatives are concerned or interested in the resolutions

Item No 9: ACCEPTANCE OF FIXED 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 fixed deposits from the shareholders of the Company. However, the relevant rules require certain procedure to be followed by the Company before accepting fixed deposits from the members. After securing the approval of members at the AGM, board will decide about the timing for accepting fixed deposits from the members after complying with the prescribed procedure in this regard. Board of directors commends the resolution for members' approval. None of the directors, Key Managerial Personnel or their relatives is interested or concerned in the resolution

Details of Director seeking appointment / re-appointment

Name of the Director	Dr. V.Sekar	Mr. D.Balasundaram	Dr. R.Ramarathnam	Smt. S.Abirami
DIN	03128187	07800844	02175098	06953377
Date of birth	05-02-1956	25-06-1958	21-01-1946	06-04-1980
Date of Appointment	25-03-2017	06-05-2017	06-05-2017	28-09-2014
Qualification	M.A, L.L.B, PGDBA, CAIIB, MBA, M.Phil,Ph.D	M.Tech (Textiles Engineering)	M.Tech (Electrical Engineering), Ph.D	M.Sc in Computer science
Expertise in Specific Functional areas	He has three decades of experience in Industrial Finance, banking, Law, Industrial Management and Industrial Administration. At present he is Director in Hindustan Insecticides Limited and in Rathinam Institute of Management, Coimbatore	He has three decades experience in Textile Engineering and related field. He has exposure in world class management systems.	He has rich experience in Electromechanical Engineering field mainly in Energy Conservation, Renewable Energy, Power Conditioning & in Measurement. Vast experience in Design and Development, Production Engineering, Supply Chain Management, Production, Quality Assurance and Marketing. He has several accolades and awards from reputed Companies and Institutions on his meritorious achievements.	NIL


Details of Director seeking appointment / re-appointment

Name of the Director	Dr. V.Sekar	Mr. D.Balasundaram	Dr. R.Ramarathnam	Smt. S.Abirami
Directorship in other Companies	Kandagiri Spinning Mills Limited,	Kandagiri Spinning Mills Limited,	1. Kandagiri Spinning Mills Limited, Salem 2. Dalmia Electrodyne Technologies Private Limited 3. Universal Electro Dynamics Private Limited 4. Go Green Enterprises Private Limited and 5. Basil Energetics Private Limited 6. Westcott Electricals Pvt Ltd	NIL
Committee Membership in other Companies	Member of Audit Committee in Kandagiri Spinning Mills Limited,	NIL	NIL	NIL
No. of shares in the Company	NIL	NIL	NIL	NIL
Inter-se relationship with other directors	NIL	NIL	NIL	She is related to CMD Sri S. Devarajan and Sri D. Sudharsan Director of the Company
Number of Board Meetings attended during the year	Attended 1 (One)	Not Applicable	Not Applicable	Attended 5 (five) Out of 5 Meetings

DECLARATION :

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.

For and on behalf of the Board of
Sambandam Spinning Mills Limited
S. Natarajan
Company Secretary

Place : **Salem**
Date : **May 6, 2017**