



# Kandagiri Spinning Mills Ltd.

Ref: KSML/CS/ 026/2018-19

17<sup>th</sup> July, 2018

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

Dear Sir,

**Sub: Notice of 42<sup>nd</sup> AGM of the Company scheduled to be held on 11.08.2018 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 42<sup>nd</sup> AGM of the Company is scheduled to be held on 11.08.2018.

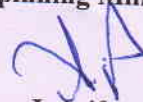
Kindly note that the Register of Members and the Share Transfer Books of our Company will remain closed from **Sunday, 5<sup>th</sup> August, 2018 to Saturday, 11<sup>th</sup> August, 2018** (both days inclusive) for the purpose of the AGM.

Further herewith enclosed, Notice convening the ensuing 42<sup>nd</sup> Annual General Meeting of the Company and text of newspaper publication (intimating closure of transfer books for the purpose of AGM, details of remote e-voting facility for the AGM resolutions and dispatch of Annual Report of the FY 2017-18) arranged to be published on 18<sup>th</sup> July, 2018.

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 42<sup>nd</sup> AGM of the Company.
2. Text of Newspaper Publication



CIN : L17111TZ1976PLC000762

Regd. Off: Mill Premises, Udayapatti (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 Forty Second (42<sup>nd</sup>) 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 11<sup>th</sup> August, 2018 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, 2018 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, 2018 together with the notes annexed thereto and the report of the Auditors thereon.
2. Non-Executive Director Dr.A.Sarayu (holding DIN 06953362) who retires by rotation and being eligible, offers herself for re-appointment.
3. **Appointment of Statutory Auditors**

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 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. R. Sundararajan and Associates, Chartered Accountants (Firm registration No.008282S) be and are hereby re-appointed as Statutory Auditors of the Company from the conclusion of this (42<sup>nd</sup>) Annual General Meeting until the conclusion of the 46<sup>th</sup> Annual General Meeting from the financial year 2018-2019 to 2021-2022, subject to ratification in every subsequent Annual General Meeting, if applicable.

RESOLVED FURTHER THAT the Statutory Auditors shall be paid a remuneration of Rs.3,70,000/- (Rupees Three Lakhs and Seventy thousand only) for the financial year 2018-2019 excluding the out of pocket expenses that may be incurred by them in connection with the audit and excluding the applicable GST."

#### SPECIAL BUSINESS

4. **Reappointment of Sri R. Selvarajan as 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), and subject to approval of the Company's Bankers, approval of the members of the Company be and is hereby accorded to the re-appointment of Sri R. Selvarajan (DIN: 00001703) as Managing Director of the Company, for a period of 3 (three) years with effect from 01<sup>st</sup> October, 2018 eventhough he has attained seventy three years of age on the following terms and conditions as approved by the Nomination and Remuneration Committee and the Board

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

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. 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.

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."

**6. Ratification of remuneration payable to the Cost Auditor**

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.50,000/- (Rupees fifty thousand only) payable for audit of cost accounts of the Company for the financial year ending 31<sup>st</sup> March, 2019 to CMA K.M. Krishnamurthy, (Membership No.10026, Firm Registration No: 102198) Cost Accountant 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 him in connection with the audit and excluding the applicable GST 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 27, 2018

**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 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 business set out under Items No. 4 to 6 of the Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **5<sup>th</sup> August, 2018 to 11<sup>th</sup> August, 2018** (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](mailto:sales@kandagirimills.com); [ksmcs@kandagirimills.com](mailto: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. **Transfer of Unclaimed/Unpaid dividends along with underlying shares to IEPF**

Pursuant to Section 124 & 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which came into effect from 07.09.2016 with subsequent amendments thereto, in addition to transfer of unpaid/unclaimed dividend of seven years to IEPF a/c, the underlying shares with respect to unpaid/unclaimed dividend of seven consecutive years has to be transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In accordance with the above provisions, during the year 2017-18, Company has transferred Unpaid/Unclaimed Interim dividend of the FY 2010-11 along with the underlying shares of the year 2010-11 (Interim Dividend) to IEPF a/c as detailed below:

Unpaid/Unclaimed Dividend amount transferred: Rs.1,41,146/- on 15<sup>th</sup> March, 2018

No. of. transfer of underlying shares to IEPF: 32,626 on 14<sup>th</sup> & 15<sup>th</sup> March, 2018

Shareholders can claim the respective dividends and shares from IEPF by filing the requisite forms and following the procedures as stated in the IEPF rules.

Shareholders are also requested to be noted that as per the above referred provisions of IEPF rules, the Company is required to transfer the unpaid/unclaimed final dividend of the FY 2010-11 along with the underlying to IEPF authority within 30 days from 16.09.2018. Shareholders who have not claimed their Final dividend for the year 2010-11 can write to the Company or RTA- M/s Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai – 600 002 who are the Registrars and Share Transfer Agents for further details and for claiming unclaimed/unpaid dividend. In case no valid claim is received, unpaid /unclaimed dividend amounts along with underlying shares will be transferred to IEPF authority on the referred due date.

Pursuant to the provisions of rule 8 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 12<sup>th</sup> August, 2017 (date of last AGM) on the website of the Company ([www.kandagirimills.com](http://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.
8. 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).
9. 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.
10. 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.
11. The Notice along with the Annual Report 2017-18 is being sent by electronic mode to those members whose email 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 Annual Report 2017-18 will also be available on the Company's website [www.kandagirimills.com](http://www.kandagirimills.com).





**12. 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 42<sup>nd</sup> AGM. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for this purpose.

The voting period begins on **07.08.2018 at 9.15 a.m.** and ends on **10.08.2018 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **4<sup>th</sup> August, 2018 (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](http://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](http://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.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.





- (viii) 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.
- (ix) Click on the EVSN for the relevant <Company Name> "KANDAGIRI SPINNING MILLS LIMITED" on which you choose to vote.
- (x) 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.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify yours vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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.

**13. 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.**

- 14. 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, 4<sup>th</sup> August, 2018.**





15. **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.
16. 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.
17. The Scrutinizer not later than 48 hours 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.
18. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.kandagirimills.com](http://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.
19. All documents referred to in this notices will be available for inspection on all working days during business hours of the Company until the date of the Annual General Meeting of the Company.
20. Proxy and Attendance Slips are enclosed in Page No 135.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**  
**ITEMS No. 4 - RE-APPOINTMENT OF MANAGING DIRECTOR SRI R. SELVARAJAN**

Board of directors of the Company at their meeting dated 28<sup>th</sup> May, 2015 had recommended the reappointment of Sri R. Selvarajan as Chairman and Managing Director of the Company, for a period of 3 (three) years on a monthly remuneration (inclusive of salary, perquisites and allowances) of Rs. 4,00,000/- [increased from earlier monthly remuneration of Rs. 3,00,000/-] with effect from 01<sup>st</sup> October, 2015 on the recommendation of the Nomination and Remuneration Committee and the same was approved by the members by passing of special resolution at the 39<sup>th</sup> AGM held on 27.09.2015.

Over the three years, in view of unsatisfactory performance of the Company, Sri R. Selvarajan had not received the increased remuneration and was receiving only the earlier monthly remuneration of Rs. 3,00,000/-. Further, Sri R. Selvarajan has waived his remuneration during the major part of the financial year 2017-18.

Chairman and Managing Director Sri R. Selvarajan, resigned from the position of Chairman of the Company and continues as Managing Director with effect from 01.06.2017.

The current tenure of Managing Director Sri R. Selvarajan expires on 30th September, 2018. In view of the roles and responsibilities shouldered by Sri R. Selvarajan mainly during the critical situation Company was facing over the past three years, Nomination and Remuneration Committee at its meeting held on 27<sup>th</sup> May, 2018 had recommended the reappointment of Sri R. Selvarajan as Managing Director of the Company for a period of three years with effect from 01.10.2018 eventhough he has attained seventy three 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 27<sup>th</sup> May, 2018. The Nomination and Remuneration Committee and the Board are of the opinion that Managing Director Sri R. Selvarajan is fit and proper person to hold the said office and the payment of proposed remuneration (as set out hereunder) will be in the best interest of the Company.

The proposed remuneration is in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013. There was delay in repayment of Bank dues during the financial year 2017-18 and hence, the proposed remuneration will be paid on receipt of prior approval obtained from the Company's Bankers.

Managing Director Sri R. Selvarajan has attained seventy three years of age and the provisions of section 196 of the Companies Act, 2013, enables for passing of special resolution for his reappointment.

The Board seeks the approval of the members by way of passing special resolution for the reappointment and remuneration payable to 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.



## Kandagiri Spinning Mills Limited



### Remuneration :

- (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 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. 1,20,000/- (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.

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 MD 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) Nature of the industry : Textile
- (2) Date of commencement of Commercial Production : June 1976
- (3) Financial Performance :

#### Financial Highlights

(Rs. Lakhs)

Particulars	2018	2017
Share Holder's funds	2463.59	3713.47
Non-Current Liabilities	2447.90	3410.91
Current Liabilities	4559.28	4253.49
Non-Current Assets	6231.79	8349.40
Current Assets	3238.99	3028.47
Income	5507.23	7857.48
Expenses	7119.95	10467.33
Profit / (Loss) before tax	(1697.75)	(1065.23)
Profit / (Loss) after tax	(1161.44)	(1065.23)
Earnings per Equity share (Face value Rs.10)		
– basic and diluted (in Rs.)	(30.17)	(27.67)
Net worth per share (Rs.)	64.00	96.47
Profit/(Loss) before Interest and Depreciation	(436.80)	(649.66)
Retained earnings	(699.81)	550.06
Dividend (%)	Nil	Nil





## Kandagiri Spinning Mills Limited



Particulars	(Rs. Lakhs)	
	2017-2018	2016-2017
Export Performance and Net Foreign Exchange		
(i) Earnings in Foreign Exchange	Nil	803.45
(ii) Expenditure in Foreign Currencies	Nil	217.90
Foreign Investments or Collaborations, if any	Nil	Nil

### (II) Information about the appointee :

- 1) Background details : Sri R. Selvarajan, 73 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.4,00,000/- 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 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 16 years as Managing Director of the Company makes him ideally suitable for the said position
- 5) Remuneration Proposed : Rs.3,00,000/- per month inclusive of perquisites and other allowances as mentioned supra for Sri R. Selvarajan.
- 6) Comparative remuneration : Information not available  
Profile with respect to industry
- 7) Pecuniary Relationship : Sri R. Selvarajan holds 7,78,730 equity  
with the Company 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 performance was affected mainly due to adverse market behaviour coupled with abnormal increase in cotton prices and lower yarn prices. The continued losses over the past two years and heavy repayment of Bank term loans resulted in severe financial crisis and to overcome the situation, with the approval of the Shareholders, Company has undertaken sale of some of its assets and major portion of sale proceeds were utilised towards repayment of Principal and Interest Payments to Company's Bankers.

During this year Company is proposed to sell some part of its assets and proportionately repay the Bank's Working Capital limits. With enormous reduction in the interest cost, functioning at full capacity with production of special yarns and cost reduction measures like private power purchase etc, Company will be able to perform satisfactorily in the financial year 2018-19.

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





None of the Directors and Key Managerial Personnel except Sri R. Selvarajan, 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 the provisions of Companies Act, 2013 and SEBI (LODR) Regulations.

**Item No.5 – Acceptance of Fixed Deposits from Members**

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.6 - Ratification of the Remuneration payable to Cost Auditor**

Though the turnover of the Company for the financial years 2016-17 & 2017-18 is below Rs. 100 Cr, in accordance with the clarifications issued by Institute of Cost Accountants of India vide Frequently Asked Questions (FAQs) dt. 19/03/2015 on applicability of Maintenance of Cost Accounting Records and Cost Audit under Companies Act, 2013 by the Companies on continuous basis, Board of Directors decided to continue the Cost Audit for the FY 2018-19. On the recommendation of the Audit Committee, Board of Directors has appointed CMA K.M. Krishnamurthy, Cost Accountant as Cost Auditor of the Company for audit of cost accounts of the Company for the FY 2018-19 on the remuneration of Rs.50,000/- (Rupees Fifty Thousand only) excluding out of pocket expenses and GST. As per the provisions of Section 148 of the Companies Act 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014 with subsequent amendments thereto, 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

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 : May 27, 2018





## Details of Director seeking Re-appointment

Name of the Director	Sri R. Selvarajan	Dr. (Mrs.) A. Sarayu
DIN	00001703	06953362
Date of birth	01-10-1944	10-03-1976
Date of Appointment	23-10-2002	28-09-2014
Qualification	Matriculate	M.B.B.S., M.S., (O & G)
Expertise in Specific Functional areas	He became the Chairman and Managing Director of the Company on 23 <sup>rd</sup> 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. At present he is Managing Director in SPMM Health Care Services Private Limited and in several companies. He is the Chairperson of Finance & Share Transfer Committee of our Company.	She is a Medical Practitioner
Directorship in other Companies	<u>Directorship :</u> 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 Ltd, Salem (SFPL) 5. Sambandam Textiles Private Ltd, Salem (STPL)	Nil
Committee Membership in other Companies	<u>Committee Membership : Nil</u>	<u>Committee Membership : Nil</u>
No. of shares in the Company	7,78,730	53,090
Inter-se relationship with any other directors	He is related to Chief Financial Officer & Director Sri S. Vijay Shankar and Director Dr. A. Sarayu	She is related to Managing Director Sri. R. Selvarajan and Chief Financial Officer & Director Sri S. Vijay Shankar
Number of Board meetings attended during the year	06	05





# Kandagiri Spinning Mills Ltd.

/TEXT OF NEWSPAPER PUBLICATION/

## KANDAGIRI SPINNING MILLS LIMITED

Corporate Identity Number (CIN): L17111TZ1976PLC000762

Registered Office: POST BOX NO.3, UDAYAPATTI P.O SALEM – 636 140

Tel: 0427 2244400 Fax: 0427 2244422

Email: [sales@kandagirimills.com](mailto:sales@kandagirimills.com) Website: [www.kandagirimills.com](http://www.kandagirimills.com)

Notice is hereby given that the 42<sup>nd</sup> Annual General Meeting ( AGM ) of the Company will be held on Saturday, **11-08-2018 at 11.30 a.m.** at the Mill Premises of Sambandam Spinning Mills Limited, Kamaraj Nagar Colony, Salem – 636 014. Notice convening the 42<sup>nd</sup> AGM of the Company along with the Annual Report for the year 2017-18 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 17-07-2018. Full text of the above documents has also been hosted in the Company's website [www.kandagirimills.com](http://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 11-08-2018.

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 **05-08-2018 to 11-08-2018 (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 42<sup>nd</sup> AGM. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting facility. **The remote e-voting period commences at 9.15 a.m. on 07.08.2018 and ends at 5.00 p.m. on 10.08.2018.** 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., **04.08.2018** 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 12 "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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Salem  
17.07.2018



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



Regd. Off: Mill Premises, Udayapatti (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

