



SAMBANDAM SPINNING MILLS LIMITED UNIT-1

Registered Office : P.B. No.1, Kamaraj Nagar Colony, Salem 636 014. Tamil Nadu
(P) +91 427 2240790 (F) +91 427 2240169 (E) corporate@sambandam.com
website : www.sambandam.com Corporate Identity No. L17111TZ1973PLC000675

Ref: 413 /SSML/CS/2018-19

18th July 2018

To
The Listing Department,
The Bombay Stock Exchange Ltd,
Floor No. 25, P.J.Towers,
Dalal Street,
MUMBAI – 400 001.

Dear Sir,

Sub : Notice of 44th 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 44th AGM of the Company is scheduled to be held on 11.08.2018.

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

Further herewith enclosed, notice convening the ensuing 44th 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 18th July 2018.

Kindly take the same for your records.

Thanking you,

Yours faithfully,
for Sambandam Spinning Mills Limited


(S.Natarajan)
Company Secretary

Encl:

1. Notice of convening the 44th AGM of the Company.
2. Text of Newspaper Publication.



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 fourth Annual General Meeting (AGM) of the members of the Company will be held **at 10.45 A.M on Saturday the 11th August, 2018** 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 2018 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 2 (two) per equity share of rupees ten each be declared for the financial year ended 31st March 2018 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 2018 to those shareholders whose names appear in the Register of Members as on 4th August 2018 in the case of members holding shares in physical form and to the beneficial holders of the dematerialised shares as on 4th August 2018 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 APPOINTMENT OF SRI S.DEVARAJAN, DIRECTOR RETIRING BY ROTATION

No.3 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an SPECIAL 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) Sri S. Devarajan holding DIN 00001910, Director retiring by rotation at this AGM be and is hereby re-appointed as 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. R.Sundararajan & 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 48th Annual General Meeting for the financial year 2018-19 to 2021-22 Subject to ratification in every subsequent Annual General Meeting if applicable.

RESOLVED FURTHER that the statutory Auditors shall be paid a remuneration of Rs. 6,00,000 (Rupees Six Lakhs only) for the year 2018-19 excluding out of pocket expenses that may be incurred by them in connection with the audit and excluding the applicable GST.



**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 2019 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 RE APPOINTMENT OF SRI S.DEVARAJAN, CMD

No.6 To consider, and if thought fit, to pass with or without modification, the following Resolution, as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for reappointment of Sri S.Devarajan, (DIN 00001910) as Chairman and Managing Director of the Company, for a period of three years from 1.10.2018 to 30.09.2021 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

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

(a) Basic Salary Rs.4,20,000/- per month,

(b) Perquisites and allowances as under not exceeding Rs.2,80,000/ per month.

(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.

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.

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 however be included in the computation of perquisites for the purpose of the ceiling.

"RESOLVED FURTHER THAT Sri S.Devarajan, Chairman and Managing Director will draw the remuneration as stated above even in the absence of or inadequacy of profit in any financial year.



**Item REAPPOINTMENT OF SRI S.JEGARAJAN, JMD**

No.7 To consider, and if thought fit, to pass with or without modification, the following Resolution, as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for reappointment of Sri S.Jegarajan, (DIN 00018565) as Joint Managing Director of the Company, for a period of three years from 1.10.2018 to 30.09.2021 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

(a) Basic Salary Rs.4,00,000/- per month,

(b) Perquisites and allowances as under not exceeding Rs.2,75,000/ per month.

(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.

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.

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 however be included in the computation of perquisites for the purpose of the ceiling.

"RESOLVED FURTHER THAT Sri S.Jegarajan, Joint Managing Director will draw the remuneration as stated above even in the absence of or inadequacy of profit in any financial year.

Item REAPPOINTMENT OF SRI S.DINAKARAN, JMD

No.8 To consider, and if thought fit, to pass with or without modification, the following Resolution, as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for reappointment of Sri S.Dinakaran, (DIN 00001932) as Joint Managing Director of the Company, for a period of three years from 1.10.2018 to 30.09.2021 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

(a) Basic Salary Rs.2,50,000 per month,

(b) Perquisites and allowances as under not exceeding Rs.2,00,000/ per month.

(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.

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.





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 however be included in the computation of perquisites for the purpose of the ceiling.

"RESOLVED FURTHER THAT Sri S.Dinakaran, Joint Managing Director will draw the remuneration as stated above even in the absence of or inadequacy of profit in any financial year.

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 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. 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, 4 and 5) 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 05.08.2018 to 11.08.2018, (both days inclusive) for determining the entitlement of the shareholders to the dividend for year ended 31st March 2018.
- 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 04.08.2018 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 04.08.2018, 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 04.08.2018. 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 12th August 2017 (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 44th 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, 4th AUGUST 2018. 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. 4th August 2018
- (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 07.08.2018 and ends at 5.00 p.m. on 10.08.2018. 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, 04.08.2018 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 06.07.2018. Those who acquire the Company's shares subsequently and continue to hold the shares till the cut off date i.e. 04.08.2018 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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <p>* 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.</p> <p>Example : If your name is Ramesh with S.L.No.00003615 then enter RA.00003615 in the 'PAN field'. If the name is V.K.Mohan, with S.L.No.00000015 enter VK00000015 in the PAN field.</p>
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	<p>Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio.</p> <p>* 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.</p>

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.

- 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.
- 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 10.08.2018. 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 20% dividend on the paid up equity share capital of the Company for the financial year 2017-18 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 APPOINTMENT OF SRI S.DEVARAJAN, DIRECTOR RETIRING BY ROTATION

No.3 Sri S.Devarajan, Director retires by rotation. He is eligible and hence offers himself for reappointment by members. Sri S.Devarajan DIN 00001910 has three decades of experience in Spinning Mills. He is holding 4,08,555 equity shares of the Company.

He is related to S.Jegarajan, JMD, S.Dinakaran JMD 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 RATIFICATION OF THE REMUNERATION PAYABLE TO COST AUDITORS

No.5 Audit Committee at the Audit Committee Meeting held on 26th May 2018, 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 2019. 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.

Explanatory statement for items No.6, 7 and 8 – Reappointment of CMD and two JMDs :

The members of the Company had at the 41st Annual General Meeting held on 27.09.2015 appointed Sri S.Devarajan as Managing Director of the Company for a period of three years w.e.f 01.10.15. Further, at the 41st AGM held on 27.09.2015 the members had accorded their approval to the payment of revised remuneration to MD during his remaining tenure effective.

Section 196 of the Companies Act, 2013 (Act) inter-alia provides that no company shall appoint or continue the employment of any person as Managing Director, who has attained the age of 70 years, unless his appointment is approved by a special resolution. During his present tenure, Sri S.Devarajan will be attaining the age of 70 years (soon). Though his re-appointment as MD had already been approved by the shareholders by passing a ordinary Resolution, under item no. 3 it is intended to seek approval of the members to comply with the relevant provisions of the Act.

The Nomination and Remuneration Committee, at its meeting held on May 27, 2018, recommended reappointment of Sri S.Devarajan, Chairman and Managing Director, Sri S.Jegarajan and Sri S. Dinakaran Joint Managing Directors for a further period of three years from 1-10-2018 to 30-09-2021 and for payment of increased remuneration as stated in the respective resolutions.

Board of Directors of the Company is of the opinion that Sri S.Devarajan, Chairman and Managing Director, Sri S.Jegarajan and Sri S.Dinakaran Joint Managing Directors are fit and proper persons to hold the said office and that payment of remuneration to them as stated in the Resolutions are in the interest of the Company.

Sri S.Devarajan aged 70 years, is a promoter and Managing Director of the Company and having over 40 years of textile industry. He has a degree in Science.

His current term of appointment as a Managing Director of the Company will expire on 30.09.2018. He has excellent grasp an thorough knowledge and experience of not only commerce and technology but also of general management. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Sri S.Devarajan should be available to the Company for a further period of three years with effect from 01.10.2018.

In terms of Section II (A) (ii) of Part II of Schedule V of the Companies Act, 2013, the Company can pay up to Rs.7,00,000 lakhs per month to each whole time director by way of salary, perquisites and allowances, provided, the shareholders' approval by way of special resolution is obtained for payment of managerial remuneration for a period not exceeding three years. Accordingly, three special resolutions at the Items No.6, 7 and 8 are placed before the shareholders.



**I General Information**

- (1) Nature of the industry : Textile
 (2) Date of commencement of Commercial Production : June 1974
 (3) In case of new companies, expected date of commencement of activity : Existing Company hence not applicable
 (4) Financial Performance : Financial Highlights

(Rupees lakhs)

	2017 - 18	2016 - 17
Share Holders' funds	8997.54	8856.15
Non-Current Liabilities	2930.29	3456.41
Current Liabilities	9855.11	8953.10
Non-Current Assets	12507.80	13277.71
Income	19473.68	21027.27
Expenses	18846.61	19672.16
Profit / (Loss) before tax	344.05	904.70
Profit / (Loss) after tax	346.69	437.22
Earnings per Equity Share (Face value Rs.10) basic and diluted (in Rs.)	8.09	10.12
Total Capital Employed	11927.80	12312.57
Net worth per share (Rs.)	210.98	207.67
Profit before Interest and Depreciation	2279	3072.96
Retained earnings	3566	3425
Dividend (%)	* 20%	40%

* subject to the approval of the Bankers and declaration by members at the 44th AGM.

		(Rupees) 2018	(Rupees) 2017
5) Foreign investments or Collaborators, if any	No Foreign Investment; No Collaboration	N.A.	N.A.

II Information about the appointees :

- (a) Background (1) Sri S.Devarajan, 69 years of age, is a Graduate in Science. He became the Managing Director of the Company on October 23, 2002 and has the distinction of leading the Company since then. He has been director in various Companies and has four decades of experience in the field of textiles and finance.
- (2) Sri S.Jegarajan, 66 years of age, is a Matriculate. He became the Joint Managing Director of the Company on October 23, 2002 and has been leading the Company since then. He has been director in various Companies and has more than three decades of experience in the field of textiles.
- (3) Sri S.Dinakaran, 61 years of age, is a Graduate in Arts. He became the Joint Managing Director of the Company on October 23, 2002 and has been leading the Company since then. He has been director in various Companies and has more than three decades of experience in the field of textiles.
- (b) Past Remuneration : (1) For Sri S.Devarajan, 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.
- (2) For Sri S.Jegarajan, Rs.3,80,000/- 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) For Sri S.Dinakaran, Rs.1,60,000/- per month.
- (c) Recognition and award : Nil





- (d) Job profile (1) As Chairman and Managing director Sri S.Devarajan is in charge of the management of the affairs of the Company.
- (2) As Joint Managing director Sri S.Jegarajan, is assisting the Chairman and Managing Director in the management of the affairs of the Company.
- (3) As Joint Managing director Sri S. Dinakaran, is assisting the Chairman and Managing Director in the management of the affairs of the Company.
- (e) His suitability (1) Experience of Sri S.Devarajan, for the last 43 years 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.
- (2) Experience of Sri S.Jegarajan, in the field of administration for the last 40 years in the Company makes him ideally suitable for the said position.
- (3) Experience of Sri S.Dinakaran, in the field of Marketing, Production and Administration for the past 36 years in the Company makes him ideally suitable for the said position.
- (f) Remuneration (1) Rs.7,00,000 per month inclusive of perquisites and other terms as stated in the Proposed Resolution for Sri S. Devarajan.
- (2) Rs.6,75,000 per month inclusive of perquisites and other terms as stated in the Resolution for Sri S. Jegarajan.
- (3) Rs.4,50,000 per month inclusive of perquisites and other terms as stated in the Resolution for Sri S. Dinakaran.
- (g) Comparative remuneration profile with respect to industry : In the range of Rs.50-60 lakhs/ per year
- (h) Pecuniary relationship with the Company or relationship with the managerial personnel if any : (1) Sri S. Devarajan holds 4,08,555 equity shares of Rs.10 each in the Company and he is related to Sri S.Jegarajan and Sri S.Dinakaran (brothers), Sri D.Sudharsan(son) and Smt S.Abirami, (son's wife).
- (2) Sri S. Jegarajan holds 4,44,146 equity shares of Rs.10 each in the Company and he is related to Sri S. Devarajan and Sri S. Dinakaran (brothers) and Sri J.Sakthivel (son), Chief Technical Officer.
- (3) Sri S. Dinakaran holds 3,74,879 equity shares of Rs.10 each in the Company and he is related to Sri S.Devarajan and Sri S.Jegarajan (brothers) and Sri D.Niranjan Kumar (son), Chief Financial Officer.

No other Directors, Key Managerial Personnel or their relatives are related to any of the aforesaid directors. Directorship in other Companies :

- (a) Sri S.Devarajan - Kandagiri Spinning Mills Ltd. - Chairman
Sambandam Siva Textiles P. Ltd. - Director
SPMM Health Care Services P. Ltd.- Chairman
Sambandam Investment & Leasing Ltd. - Director
Sambandam Textiles P. Ltd. - Director
Sambandam Fabrics P. Ltd. - Director
Salem IVF Centre P. Ltd. - Managing Director
- (b) Sri S.Jegarajan - SPMM Health Care Services P. Ltd.- Director
Sambandam Textiles P. Ltd. - Director
- (c) Sri S.Dinakaran - Sambandam Siva Textiles P. Ltd. - Managing Director
SPMM Health Care Services P. Ltd.- Director
Sambandam Investment & Leasing Ltd. - Director
Sambandam Textiles P. Ltd. - Director
The Cotton Textiles Export Promotion Council, Mumbai - Director
Confederation of Indian Textile Industry, Mumbai - Director
Tamilnadu Electricity Consumers' Association - Director



**Other information :**

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

The Company's profitability was just maintained mainly due to drastic reduction in the price of yarn consequent upon marginal reduction in the price of Cotton. Management is contemplating to initiate measures towards development of value added products and cost cutting measures, which are expected to improve the productivity and profitability of the Company.

The proposed remuneration of Sri S.Devarajan, Chairman and Managing Director and Sri S.Jegarajan and Sri S.Dinakaran, Joint Managing Directors are subject to the approval of the shareholders by way of Special Resolution at the ensuing Annual General Meeting of the Company.

Sri D.Sudharsan, Smt.S.Abirami, Sri S.Jegarajan and Sri S.Dinakaran, directors of the Company are concerned with or interested in the aforesaid proposed revision in the remuneration package of Sri S.Devarajan, Chairman and Managing Director.

Sri S.Devarajan and Sri S.Dinakaran, Directors of the Company and Sri J.Sakthivel, Chief Technical officer of the Company are concerned with or interested in the aforesaid proposed revision in the remuneration package of Sri S.Jegarajan, Joint Managing Director.

Sri S.Devarajan and Sri S.Jegarajan, Directors of the Company and Sri D.Niranjan Kumar, Chief Financial Officer of the Company are concerned with or interested in the aforesaid proposed revision in the remuneration package of Sri S.Dinakaran, Joint Managing Director. None of the other Directors or Key Managerial Personnel or their relatives are interested or concerned in the re-appointment or payment of increased remuneration to the Chairman and Managing Director and the two Joint Managing Directors.

The above explanatory statements together with the accompanying notice is to be treated as an abstract of the change in the terms of remuneration payable to Sri S.Devarajan, Chairman and Managing Director, Sri S.Jegarajan, Joint Managing Director and Sri S.Dinakaran, Joint Managing Director of the Company. The Notice together with this statement is to be treated as suitable disclosure under Reg. 34 SEBI (LODR.) regulation

III Details of Director seeking appointment / re-appointment

Name of the Director	Sri S. Devarajan	Sri S. Jegarajan	Sri S. Dinakaran
DIN	00001910	00018565	00001932
Date of Appointment	01-04-2005	01-04-2005	01-04-2005
Qualification	Graduate in Science	Matriculate	Graduate in Arts
Expertise in Specific Functional area	At present he is the Chairman and Managing Director of Sambandam Spinning Mills Limited and Chairman of SPMM Health Care Services Private Limited. Also he is a director in several companies and a member in the Audit committee and Share transfer committee in our company. He is well conversant with the textile industry and has more than three decades of experience in the field of textiles.	At present he is the Joint Managing Director of Sambandam Spinning Mills Limited. Also he is a director in several companies. He is well conversant with the textile industry and has more than two decades of experience in the field of textiles.	At present he is the Managing Director of Sambandam Siva Textiles Private Limited and Joint Managing Director of Sambandam Spinning Mills Limited. Also he is a director in several companies. He is well conversant with the textile industry and has more than two decades of experience in the field of textiles.





Name of the Director	Sri S. Devarajan	Sri S. Jegarajan	Sri S. Dinakaran
Directorship in other Companies	1. Kandagiri Spinning Mills Limited 2. Sambandam Investment & Leasing Limited 3. Sambandam Siva Textiles Private Limited 4. SPMM Health Care Services Private Ltd 5. Sambandam Textiles Private Limited 6. Sambandam Fabrics Private Limited 7. Salem IVF Centre Private Limited	1. Sambandam Siva Textiles Private Limited 2. SPMM Health Care Services Private Ltd 3. Sambandam Textiles Private Limited	1. Sambandam Siva Textiles Private Limited 2. Sambandam Investment & Leasing Limited 4. SPMM Health Care Services Private Ltd 5. Sambandam Textiles Private Limited 5. The Cotton Textiles Export Promotion Council 6. Confederation of Indian Textile Industry 7. Tamilnadu Electricity Consumers' Association
Committee Membership in other Companies	1. Audit Committee of Kandagiri Spinning Mills Limited- Member 2. Finance Committee of Kandagiri Spinning Mills Limited- Member 3. Share Transfer Committee of Kandagiri Spinning Mills Limited- Member	NIL	NIL
No. of shares in the Company	4,08,555	4,44,146	3,74,879
Inter-se relationship with other directors	He is related to JMD's Sri S. Jegarajan and Sri S. Dinakaran Joint Managing Directors of the Company	He is related to CMD Sri S. Devarajan and Sri S. Dinakaran Joint Managing Directors of the Company	He is related to CMD Sri S. Devarajan and Sri S. Jegarajan Joint Managing Directors of the Company
Number of Board Meetings attended during the year	Attended 7 (seven) out of 7 meetings	Attended 7 (seven) out of 7 meetings	Attended 7 (seven) out of 7 meetings

Item ACCEPTANCE OF FIXED DEPOSITS FROM MEMBERS OF THE COMPANY

No 9: 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

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.

Place : Salem
Date : May 27, 2018

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



/Text of Newspaper Publication/

SAMBANDAM SPINNING MILLS LIMITED

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website : www.sambandam.com

NOTICE

Notice is hereby given that the 44th Annual General Meeting (AGM) of the Company will be held on Saturday, **11-08-2018 at 10.45 a.m.** at the Mill Premises of Sambandam Spinning Mills Limited, Kamaraj Nagar Colony, Salem – 636 014. Notice convening the 44th 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.sambandam.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 44th 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

By order of the Board
for SAMBANDAM SPINNING MILLS LTD.,
(S. DEVARAJAN)
CHAIRMAN AND MANAGING DIRECTOR

Place: Salem
Date : 17-07-2018

