


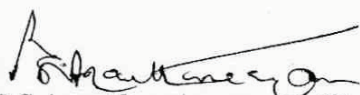


FORM A

Format of covering letter of the annual report to be filed with the Stock Exchanges

1	Name of the Company	Sambandam Spinning Mills Limited
2	Annual financial statements for the year ended	March 31, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	NA
5	To be signed by-	<p style="text-align: right;"><i>For Sambandam Spinning Mills Ltd.</i></p> <p style="text-align: center;">  (S. DEVARAJAN) Chairman and Managing Director S. Devarajan – Chairman and Managing Director </p> <p style="text-align: center;">  D. Niranjan Kumar – CFO </p> <p style="text-align: center;"> <i>For M.S. KRISHNASWAMI & RAJAN</i> Chartered Accountants, Reg. No: 01554S  R. Krishnen - Partner Membership No: 201133 R. Krishnen – Partner M.S. Krishnaswami & Rajan </p> <p style="text-align: center;">  P.S. Ananthanarayanan – Chairman of Audit Committee </p>



For SAMBANDAM SPINNING MILLS LTD.,


(R.S. SHANMUGAM)
COMPANY SECRETARY

Sambandam Spinning Mills Limited



41st
Annual Report
2014-2015

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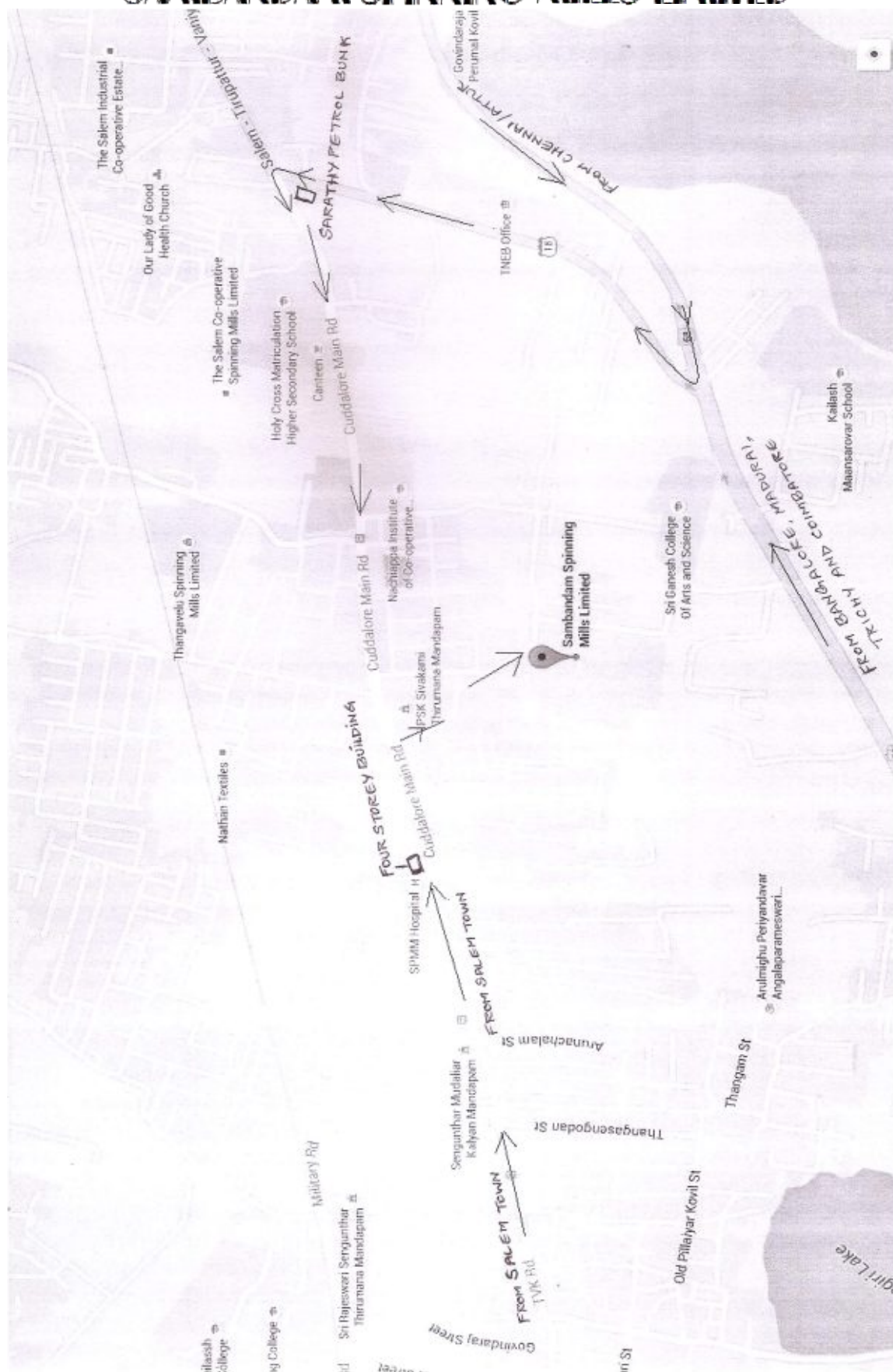
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Board of Directors	S. Devarajan – Chairman and Managing Director S. Jegarajan – Joint Managing Director S. Dinakaran – Joint Managing Director D. Sudharsan S. Abirami P.S. Ananthanarayanan – Independent Director Dr.V. Gopalan – Independent Director N. Asoka – Independent Director S. Gnanasekharan – Independent Director Kameshwar M.Bhat – Independent Director
Company Secretary	R.S. Shanmugam
Chief Financial Officer	D. Niranjana Kumar
Chief Technical Officer	J. Sakthivel
Statutory Auditors	M.S. Krishnaswami & Rajan
Cost Auditors	S. Mahadevan & Co
Bankers Under Consortium	State Bank of India – Consortium Leader Canara Bank – Consortium Member Karnataka Bank Ltd – Consortium Member Axis Bank Limited – Consortium Member
Bankers Under MBA (Multiple Banking Arrangement)	Indian Overseas Bank Central Bank of India IDBI Bank Limited
Registered Office	Mill Premises, Post Bag No.1 CIN : L17111TZ1973PLC000675 Kamaraj Nagar Colony, E-Mail : Corporate@sambandam.com Salem 636 014, Tamil Nadu Phone : 0427 - 2240790 FAX : 0427 - 2240169
Spinning Plants	Unit I : Kamaraj Nagar Colony, Salem 636 014, Tamil Nadu. Unit II : Ayeepalayam, Athanur 636 301, Namakkal District, Tamil Nadu. Unit III : Kavarakalpatty, Seshanchavadi Post Salem 636 111, Tamil Nadu.
Wind Energy Converters	Uthumalai Village, V.K. Pudur Taluk Tirunelveli District, Tamil Nadu. Panangudi, Pazhavor and Parameshwarapuram Villages Radhapuram Taluk, Tirunelveli District, Tamil Nadu. Gudimangalam Village, Udumalpet Taluk, Coimbatore District, Tamil Nadu.

ROUTE MAP FOR THE AGM VENUE - LOCATION OF SAMBANDAM SPINNING MILLS LIMITED



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 pursuant to Section 96 and other applicable provisions, if any, of the Companies Act 2013 that the 41st Annual General Meeting (AGM) of the Members of the Company will be held **at 10.30 a.m on Sunday, the 27th September, 2015** 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 Audited Balance Sheet as at 31st March 2015 together with the Statement of Profit and Loss and the Cash Flow statement 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 two per equity share of rupees ten each be and is hereby declared for the financial year ended 31st March 2015 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 2015 to those shareholders whose names appear in the Register of Members as on 27th September 2015 in the case of members holding shares in physical form and to the beneficial holders of the dematerialised shares as on 27th September 2015 as per the details provided by the Central Depository Services (India) Limited (CDSL) and the National Securities Depository Limited (NSDL) in the case of the shares held in electronic form.”

Item **APPOINTMENT OF SRI S.JEGARAJAN, DIRECTOR RETIRING BY ROTATION**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri S.Jegarajan holding DIN 00018565, Director retiring by rotation at this AGM be and is hereby re-appointed as a director of the Company liable to retire by rotation.”

Item **APPOINTMENT OF STATUTORY AUDITORS**

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. M.S.Krishnaswami & Rajan, Chartered Accountants (Firm registration No.01554S) be and are hereby re-appointed Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting for the financial year 2015-16 on a remuneration of Rs.4,25,000/- (Rupees four lakhs and twenty five thousand only) excluding the out of pocket expenses that may be incurred by them in connection with the audit and excluding the applicable service tax.”



SPECIAL BUSINESS

Item **RATIFICATION OF THE REMUNERATION PAYABLE TO COST AUDITORS**

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.2,25,000 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 2016 to M/s.S.Mahadevan & Co., Cost Accountants as recommended by the Audit Committee and approved by the Board of Directors of the Company pursuant to section 148 of the Companies Act 2013 read with rule 14 and other applicable rules of the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) excluding the out of pocket expenses that may be incurred by them in connection with the audit and excluding the applicable service tax be and is hereby ratified.”

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

Item **REAPPOINTMENT 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 further period of three years from 1.10.2015 to 30.09.2018 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.2,40,000/- per month,

(b) Perquisites and allowances as under not exceeding Rs.1,60,000/ 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 further period of three years from 1.10.2015 to 30.09.2018 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.2,30,000/- per month,

(b) Perquisites and allowances as under not exceeding Rs.1,50,000/ 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 further period of three years from 1.10.2015 to 30.09.2018 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.1,60,000 per month,

(b) Perquisites and allowances : Following are the only perquisites/allowances payable to Sri S.Dinakaran, Joint Managing Director

- (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;

"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 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 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 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.

Item REISSUE OF 21800 FORFEITED EQUITY SHARES

No.10 To consider, and if thought fit, to pass with or without modification, the following Resolution, as an ORDINARY RESOLUTION :

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

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

RESOLVED FURTHER THAT sanction be and is hereby accorded to the Board of Directors to apply to the Bombay Stock Exchange pursuant to Clause 23 (a) of the Listing Agreement for their approval to issue the forfeited shares on the basis of the foregoing resolutions and to exempt the Company from issuing or offering the forfeited shares to all the shareholders on pro-rata basis inasmuch as the quantum of the forfeited shares constitutes just 0.5% of the issued shares of the Company.

Place : Salem
Date : August 12, 2015

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

NOTES:

- 1 A Member entitled to attend and vote is entitled to appoint proxy / proxies to attend and vote instead of him / her and the proxy need not be a Member. 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 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 10 (though not mandatory for items No.2, 3 and 4) of the Notice to be transacted at the AGM is annexed hereto.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 19th September 2015 to Sunday, 27th September 2015 (both days inclusive) for determining the entitlement of the shareholders to the dividend for year ended 31st March 2015.



- 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 would be paid 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, not later than 10.9.2015 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 10.9.2015, so that the dividend warrants could be sent to their Bank Account / present address.
Members are also advised to intimate the details of their bank account to enable electronic remittance of the dividend. This would help to avoid fraudulent encashment of dividend warrants. In the 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 the Registrars and Share Transfer Agents (RTA) of the Company, Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai – 600 002. In the 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 the 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 10.9.2015. 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 two 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 two 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. Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends declared up to the financial year 2006-07. As per 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 28th September 2014 (date of last AGM) on the website of the Company (www.sambandam.com) as also on the website of the Ministry of Corporate Affairs. Shareholders can ascertain the status of their unclaimed amounts from these websites, and write to the Company immediately to claim that amount, if found in that list.
- 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 may 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 pursuant to clause 49 of the Listing agreement with the stock exchanges in respect of Directors seeking reappointment at the AGM are 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) Rules 2014, 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 41st 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 MONDAY, 21st SEPTEMBER 2015. 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. 21st SEPTEMBER 2015.
- (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 Wednesday, 23.9.2015 and ends at 5.00 p.m. on Saturday 26.9.2015. 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 21.9.2015 (Monday) 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 21.8.2015. Those who acquire the Company's shares subsequently and continue to hold the shares till the cut off date i.e. 21.9.2015 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. or Client ID and their shareholding details.

- 15** For e-voting, (a) Log on to the e-voting website www.evotingindia.com, Click on 'Shareholders' tab; Select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"; (b) Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID); Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login. If you are holding shares in Demat form and have already done e-voting of any Company, then your existing password can be used.

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

Fill up the following details in the appropriate boxes:

Members holding shares in Demat Form or in Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/RTA/ Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. The eight digit S.L.No. printed on your address slip pasted on the Annual Report envelope is the sequence number for this purpose. For example, If your name is Ramesh with S.L.No.00003615 then enter RA00003615 in the 'PAN field'. If the name is V.K.Mohan, with S.L.No.00000015 enter VK00000015 in the PAN field.
Date of birth (DOB) # or Dividend Bank A/c Details #	Enter the Date of Birth in dd/mm/yyyy format as recorded in your Demat account or in the Company records for the said Demat account or Folio. OR Enter the Dividend Bank Details as recorded in your Demat account or in the Company records for the said Demat account or Folio.
PAN */DOB/ Bank A/c Details #	If the above details are not recorded with the Company, enter the user ID (folio number) in the Dividend Bank details field as mentioned in Instruction 15 above.

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

Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to enter their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

- 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.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- 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.
- 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.
- 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 Friday, 25.9.2015. 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 to10

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 2014-15 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 postal ballot or by ballot paper at the AGM) Dividend could be paid only if approved by the Company's Bankers.

Item APPOINTMENT OF SRI S.JEGARAJAN, DIRECTOR RETIRING BY ROTATION

No.3 Sri S.Jegarajan, director retires by rotation. He is eligible and hence offers himself for reappointment by members. Sri.S.Jegarajan DIN 00018565 has three decades of experience in Spinning Mills. He is holding 4,40,846 equity shares of the Company. He is related to the Managing Director, another Joint Managing Director and the Chief Technical Officer of the Company. None of the other Directors or the Key Managerial Personnel or their relatives is interested or concerned in the Resolution.

Item APPOINTMENT OF STATUTORY AUDITORS

No.4 M/s.M.S.Krishnaswamy & Rajan, Chartered Accountants (Firm Registration No.01554S) was appointed Statutory Auditors of the Company at the last (40th) Annual General Meeting of the Company held on 28.9.2014 to hold office till the conclusion of this Annual General Meeting. As per Section 139(2) of the Companies Act, 2013, a listed Company can appoint a firm of auditors for not more than two terms of five years each. M/s.M.S.Krishnaswamy & Rajan have been the statutory auditors of the Company for more than ten years. However, the Act provides a period of three years from the date of enforcement of that section (i.e. from 1.4.2014) to comply with this requirement. M/s.M.S.Krishnaswamy & Rajan have confirmed their eligibility and willingness to be appointed for one more year. Board recommends their appointment as statutory auditors of the Company for approval of the members. None of the Directors or the Key Managerial Personnel or their relatives is interested in the Resolution.

Item RATIFICATION OF THE REMUNERATION PAYABLE TO COST AUDITORS

No.5 As recommended by the Audit Committee at the Audit Committee Meeting held on 27th May 2015, board of directors have approved the appointment of M/s.S.Mahadevan & Co., Cost Accountants for audit of cost accounts relating to the Spinning Division on payment of remuneration of Rs.2,25,000 and for audit of cost accounts relating to the Wind Mill Division of the Company on payment of Rs.25,000/- aggregating to Rs.2,50,000/- (Rupees two lakhs fifty thousand only) excluding out of pocket expenses and service tax for the year ending 31st March 2016. 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 Nomination and Remuneration Committee, at its meeting held on May 27, 2015, 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 1-10-2015 to 30-09-2018 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.

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) Name of the industry : Textile
 (2) Date of commencement of Commercial Production : June 1974
 (3) Financial Performance : **Financial Highlights**

(Rupees lakhs)

	2014-15	2013-14
Share Holders' funds	7782.93	7568.59
Non-Current Liabilities	5760.38	7615.61
Current Liabilities	10184.02	10483.87
Non-Current Assets	16122.27	16712.18
Income	24319.67	25647.86
Expenses	23811.26	24240.45
Profit / (Loss) before tax	508.41	1362.11
Profit / (Loss) after tax	345.41	937.11
Earnings per Equity Share (Face value Rs.10)-basic and diluted (in Rs.)	8.10	21.97
Total Capital Employed	13346.20	15017.10
Net worth per share (Rs.)	182.50	177.47
Profit before Interest and Depreciation	2767.53	3878.42
Retained earnings	1327.81	1951.00
Dividend (%)	* 20	20

* subject to the approval of the Bankers and declaration by members at the 41st AGM.

		(Rupees lakhs)	
		2015	2014
4) Export Performance and Net Foreign exchange	(i) Earnings in foreign exchange	533.38	602.40
	(ii) Expenditure in Foreign Currencies	23.08	19.04
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, 65 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, 63 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, 58 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.3,00,000/- per month inclusive of perquisites such as House rent allowance, Medical reimbursement, gas, water and electricity, leave encashment, gratuity, club subscriptions and other usual perquisites.
- (2) For Sri S.Jegarajan, Rs.2,50,000/- 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.50,000/- 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 40 years as Director of Sambandam Spinning Mills Limited and for the past 13 years as Managing Director of the Company makes him ideally suitable for the said position.
- (2) Experience of Sri S.Jegarajan in the field of administration for the last 39 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 33 years in the Company makes him ideally suitable for the said position.
- (f) Remuneration Proposed (1) Rs.4,00,000 per month inclusive of perquisites and other terms as stated in the Resolution for Sri S. Devarajan.
- (2) Rs.3,80,000 per month inclusive of perquisites and other terms as stated in the Resolution for Sri S. Jegarajan.
- (3) Rs.1,60,000 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 : Information not available
- (h) Pecuniary relationship with the Company or relationship with the managerial personnel : (1) Sri S. Devarajan holds 3,99,115 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 4,25,846 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 3,44,879 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. – Director
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

Other information:

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

The Company's profitability was affected 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. Establishment of Dedicated feeder lines from the EB substation to each Spinning Mill and tying-up with private power producers would result in minimum use of high cost Diesel Gen-sets during the power cut / shut down or load shedding period.

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.Niranjana 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 disclosure under clause 49 of the Listing Agreement.

Exp. Stat. Item No.9 : ACCEPTANCE OF DEPOSITS FROM MEMBERS OF THE COMPANY

Section 73(2) of the Companies Act 2013 prescribes that approval of the members by passing a resolution at the General Meeting is required for the Board of Directors to accept deposits from the shareholders of the Company. However, the relevant rules require certain procedure 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 commends the resolution for members' approval. None of the directors, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

Exp. Stat. Item No.10 : REISSUE OF 21800 FORFEITED EQUITY SHARES

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

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

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



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

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

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

Public issue of 12 Lakhs Equity shares of Rs.10/- each, at a premium of Rs.40/- per share, was made in 1995. Out of the said 12 Lakhs Equity shares, 21800 Equity Shares were forfeited by the Board of Directors at the meeting held on 24th June 2002 consequent upon non-payment of the allotment / call money payable in respect of those shares.

Board of Directors of the Company at the Board Meeting held on 12th August 2015 decided to recommend to the shareholders to pass the resolutions as stated under the agenda item No.10 with reference to the conditions interalia contained in the Listing Agreements.

If the forfeited shares are to be reissued on pro-rata basis, it will work out to approximately one share for every 200 shares held by the shareholder and such an offer of shares at the present market price of around Rs.70/- per share does not result in any reasonable benefit to the shareholder who opts to buy the share. Non-offer of shares on such pro-rata basis will not prejudicially affect the interest of the shareholders. The Board has therefore decided to dispose of the shares by following the procedure as laid down in Clauses 31 and 33 of TABLE F of Schedule I of the Companies Act, 2013 at the best price possible based on the prevailing market price.

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

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 *at the Registered Office of the Company* till the date of the ensuing Annual General Meeting.

Place : Salem

Date : August 12, 2015

**For and on behalf of the Board of
Sambandam Spinning Mills Limited**

**R.S. Shanmugam
Company Secretary**



SAMBANDAM SPINNING MILLS LIMITED

Corporate Identity Number (CIN) : L17111TZ1973PLC000675

Registered Office : KAMARAJ NAGAR COLONY, SALEM – 636 014

Tel : 0427 2240790 Fax : 0427 2240169

Email : corporate@sambandam.com Website : www.sambandam.com

POSTAL BALLOT FORM (In lieu of e-Voting at the AGM)

1.	Name of Sole / First Member	
2.	Name(s) of Joint Member (s), if any	
3.	Registered Folio No. / Client ID :	
4.	Number of Shares held (in words and figures)	

I / We hereby exercise my / our vote in respect of the Resolution(s) to be passed through Postal Ballot for the business stated in the AGM Notice dated 12-8-2015 of the Company by conveying my / our assent (Yes) or dissent (No) to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

SI No.	Resolutions	Type of Resolution	No. of Shares Held	Yes (Assent)	No (Dissent)
1.	ADOPTION OF FINANCIAL STATEMENTS	ORDINARY			
2.	DECLARATION OF DIVIDEND	ORDINARY			
3.	APPOINTMENT OF SRI S.JEGARAJAN, DIRECTOR RETIRING BY ROTATION	ORDINARY			
4.	APPOINTMENT OF STATUTORY AUDITORS	ORDINARY			
5.	RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITORS	ORDINARY			
6.	RE-APPOINTMENT OF SRI S.DEVARAJAN, CHAIRMAN AND MANAGING DIRECTOR	SPECIAL			
7.	RE-APPOINTMENT OF SRI S.JEGARAJAN, JOINT MANAGING DIRECTOR	SPECIAL			
8.	RE-APPOINTMENT OF SR S.DINAKARAN, JOINT MANAGING DIRECTOR	SPECIAL			
9.	ACCEPTANCE OF DEPOSITS FROM MEMBERS	ORDINARY			
10.	RE-ISSUE OF 21800 FORFEITED EQUITY SHARES	ORDINARY			

Note: 1) Kindly read the instructions printed overleaf (next page) before filling the form.

2) Last date for receipt of Postal Ballot Forms by Scrutinizer is 25th September 2015.

Place:

Date:

(Signature of Member)

INSTRUCTIONS

- 1) This Ballot Form is provided for the benefit of Members who do not have access to electronic voting (e-voting) facility.
- 2) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall only prevail and the ballot shall be treated as invalid .
- 3) For detail instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
- 4) The Scrutinizer will collate the votes cast by poll at the AGM, download the votes cast by e-voting from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.
- 5) Sri B.Kalyanasundaram, Practising Company Secretary, (ACS No.672 and CP No.2209) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Result of the voting on all Resolutions will be declared within 3 days after the AGM of the Company. 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 (BSE).

Process and manner for Members opting to vote by using the Ballot Form

- 1) Please complete **Postal Ballot Form**, sign the form, detach it from the Notice and **send it to the Scrutinizer** at his following address so as to reach the **Scrutinizer before 5.00 p.m. on 25.09.2015.**

**Sri B.Kalyanasundaram, Practising Company Secretary,
B.K.Sundaram & Associates, 30, Pandamangalam Agraharam, Woriur, Trichy – 620 003.**

Duly filled and signed Postal Ballot Form may be sent to the Scrutinizer by post or by courier or by hand delivery at his above address.

- 2) The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA.
- 3) In case the shares are held by Companies, Trusts, Societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
- 4) Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot Paper against each Resolution.
- 5) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on Monday, 21st September 2015 (Cut off date) and as per the Register of Members of the Company
- 6) Duly completed Ballot Form should reach the Scrutinizer not later than Friday, 25th September 2015 (5.00. p.m. IST). Ballot Form received after 5.00 p.m on 25th September, 2015 will be strictly treated as if the reply from the Members has not been received.
- 7) A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 6 above.
- 8) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 9) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN : L17111TZ1973PLC000675

Name of Company : **SAMBANDAM SPINNING MILLS LIMITED**

Registered Office : Kamaraj Nagar Colony, Salem – 636 014

Tel : 0427 2240790 Fax : 0427 2240169

Email : corporate@sambandam.com Website : www.sambandam.com

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No / Client ID No:.....DP ID No.....

I / We, being the Member(s) of Sambandam Spinning Mills Limited, holding ... Shares hereby appoint

1. Name:E-mail Id.....
Address:
.....Signature....., or failing him

2. Name:E-mail Id.....
Address:
.....Signature....., or failing him

3. Name:E-mail Id.....
Address:

.....Signature.....
as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the Forty First
Annual General Meeting of the Company to be held on Sunday, the 27th September 2015 at 10.30
a.m at the Registered Office of the Company in Salem and at any adjournment thereof in respect
of the resolutions stated overleaf (please turn to next page).



SAMBANDAM SPINNING MILLS LIMITED

Corporate Identity Number (CIN) : L17111TZ1973PLC000675

Registered Office : KAMARAJ NAGAR COLONY, SALEM – 636 014

Tel : 0427 2240790 Fax : 0427 2240169

Email : corporate@sambandam.com Website : www.sambandam.com

Attendance Slip

(To be presented at the entrance)

I hereby record my presence at the Forty First Annual General Meeting of the Company held
at the Registered Office of the Company in Salem on Sunday, the 27th September 2015 at 10.30 a.m.

Folio No.....DP ID No.....Client ID No.....

Name of the Member.....Signature.....

Name of the Proxy holder.....Signature.....

1. Only Member / Proxy holder can attend the Meeting.

2. Member / Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.



SAMBANDAM SPINNING MILLS LIMITED

Corporate Identity Number (CIN) : L17111TZ1973PLC000675

Registered Office : KAMARAJ NAGAR COLONY, SALEM – 636 014

Tel : 0427 2240790 Fax : 0427 2240169

Email : corporate@sambandam.com Website : www.sambandam.com

Please put a tick (✓) mark at the appropriate column against the respective resolution. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Sl. No.	Resolutions	Type of Resolution	No. of Shares Held	Yes (Assent)	No (Dissent)
1.	ADOPTION OF FINANCIAL STATEMENTS	ORDINARY			
2.	DECLARATION OF DIVIDEND	ORDINARY			
3.	APPOINTMENT OF SRI S.JEGARAJAN, DIRECTOR RETIRING BY ROTATION	ORDINARY			
4.	APPOINTMENT OF STATUTORY AUDITORS	ORDINARY			
5.	RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITORS	ORDINARY			
6.	RE-APPOINTMENT OF SRI S.DEVARAJAN, CHAIRMAN AND MANAGING DIRECTOR	SPECIAL			
7.	RE-APPOINTMENT OF SRI S.JEGARAJAN, JOINT MANAGING DIRECTOR	SPECIAL			
8.	RE-APPOINTMENT OF SR S.DINAKARAN, JOINT MANAGING DIRECTOR	SPECIAL			
9.	ACCEPTANCE OF DEPOSITS FROM MEMBERS OF THE COMPANY	ORDINARY			
10.	RE-ISSUE OF 21800 FORFEITED EQUITY SHARES	ORDINARY			

Signed this.....day of September 2015

Affix
Re.1
Revenue
Stamp

Signature of Proxy holder(s).....

Signature of Member

Note:

- 1) The Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Kamaraj Nagar Colony, Salem – 636 014 not less than 48 hours before the commencement of the Meeting, i.e. before 10.30 a.m on 25.09.2015.
- 2) 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.
- 3) 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 three days advance notice in writing is given to the Company.



BOARD'S REPORT

Your directors have pleasure in presenting the 41st Annual Report together with the Audited Accounts for the year ended March 31, 2015 (the year).

Performance highlights

	2014-15	2013-14
	(Rs. lakhs)	
Revenue from Operations		
Direct exports	530	600
Merchandise exports	5227	5955
Domestic Sales	18304	18848
	=====	=====
Total Yarn and Process Waste Sales	24061	25403
Wind Energy Converter Power sold to third party	120	136
Other Revenue	52	57
	=====	=====
Total Revenue from Operations	24233	<u>25596</u>
Profit		
Gross profit [Profit before interest, depreciation & Tax]	2767	3878
Cash profit [Profit before depreciation & Tax]	1593	2521
Profit before Exceptional item and Tax	508	1407
Exceptional item – Provision for diminution in investment	---	45
	-----	-----
Profit before tax [PBT]	508	1362
Less: Provision for tax (deferred tax)	163	425
	-----	-----
Profit after tax [PAT]	345	937
Profit (loss) carried from previous year	85	(452)
	-----	-----
Profit available for appropriation	430	485
	-----	-----
APPROPRIATION OF PROFIT :		
Transfer to General Reserve	195	300
Adjustment relating to Fixed Assets	26	-
Proposed Dividend on Equity Shares	85	85
Tax on proposed equity dividend	17	15
<i>Surplus profit carried to Balance Sheet</i>	107	85
	-----	-----

DIVIDEND

Your directors have recommended 20% dividend for the year ended 31.3.2015, subject to the approval of the Consortium of Bankers of the Company.

LISTING OF SHARES

Your Company's shares are listed presently in Bombay Stock Exchange Limited. During the year under review, your Company's shares had been de-listed from the Madras Stock Exchange Limited due to voluntary closure of the operations of that Exchange.

DEMATERIALISATION OF EQUITY SHARES

As on 31.03.2015, 39,00,694 Equity Shares of rupees ten each – fully paid up were held in Electronic (Demat) Form, which constituted 91.47% of total shareholding.

FIXED DEPOSITS

The Company has not invited or accepted any Deposit from the public during the year under review. All the deposits (except the deposits from the Directors of the Company) outstanding as on 1.4.2014 (Rs.361.71 lakhs from Public and Rs.225.40 lakhs from shareholders) were duly repaid by 31.3.2015 in due compliance with the provisions of Section 74(1)(b) of the Companies Act 2013. After passing a resolution u/s 73 of the Companies Act 2013 at the last Annual General Meeting of the Company held on 28.9.2014 and after complying with all the procedural requirements for accepting deposits from Members, Company accepted fresh deposits from members amounting to Rs.169.55 lakhs in March 2015.

(a) Deposits from Members Accepted during the year	-	-	Rs.169.55 lakhs *
(b) Deposits remaining unpaid or unclaimed as at the end of the year			NIL
(c) Whether there has been any default in repayment of deposits }			
or payment of interest thereon during the year and if so, }			NIL
number of such cases and the total amount involved: }			
i. at the beginning of the year	-		NIL
ii. maximum during the year	-		NIL
iii. at the end of the year	-		NIL
(d) Details of deposits which are not in compliance with the requirements of Chapter V of the Act			NIL

* Rs.169.55 lakhs represents the deposits accepted from the Members of the Company in accordance with the circular Inviting deposits from members (Form DPT-1 approved at the Board Meeting held on 6.2.2015 and filed with the Registrar of Companies on 10.2.2015). The Circular can be viewed on the Company's Website under the web link <http://www.corporate@sambandam.com>

LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loan or guarantee to any one. Details of Investments made are given in the notes to the financial statements (Note No.1.13)

MANAGEMENT DISCUSSION AND ANALYSIS

Core business of the company is manufacture and sale of cotton yarn. The management discussion and analysis given below discusses the key issues of the cotton yarn spinning sector.

(a) Industry performance

The year 2014-15 started on a good note with the lifting of power restrictions by the end of the first quarter. There were also positive aspects on other fronts such as favourable international cotton prices, and improving sales. The mid year started with sharp fluctuations both in cotton prices as well as yarn selling prices, which led to an uncertain demand situation, having its impact on the turnover as well as profitability. The disproportionate downward trend in the prices of cotton and yarn continued to affect the performance of the Company heavily, in the subsequent periods also. Even marginal decrease in cotton price lead to yarn market prices crashing to unimaginable levels. The situation is slowly improving and your directors hope it would stabilize soon.

(b) Company's performance

(i) In order to cope-up with the market conditions, several cost reduction measures were adopted by the Company such as tie-up with Private Power Producers to get the required power at about the same price as that of the EB (TANGEDCO) Power, minimum use of diesel Gensets, supported by your Company's Wind Turbine generated power. This helped to achieve improved level of plant utilization to maintain production and quality of the product.

(ii) Your Company's Wind Turbine Generators (WTGs) recorded generation of electric power of the value of Rs.920 lakhs during the year (Rs.1142 lakhs in 2013-14). Loss of Rs.222 lakhs in wind power generation during the year under review was on account of TANGEDCO imposing back-outing (not allowing full generation and not accounting fully the Wind Turbine generated power) during the high wind season which resulted in loss of possible generation of about 52 lakh units.

(iii) Even though Bank interest rates remained high during the year, Management's conscious decision to exercise strict control on inventory levels helped to reduce the working capital requirement resulting in considerable saving up to 13% in the finance cost during the year.

(c) Outlook for 2015-16

On account of abundant production and availability of Cotton in India and overseas, price of cotton is likely to remain stable and consequently yarn price is also expected to stabilize. The industry can improve its margin during the year. Demand for your Company's products continues to be appreciable in domestic market as well as export market. Your directors hope to see further improvement in the export market, based on the flow of orders from countries like China, Peru, Japan, Indonesia and European countries. If the incentives for exports offered by Government of India provide relief packages, it will further boost exports. In view of this situation, the Company's performance is expected to improve further.

In order to gain maximum benefit from the Wind Turbine generated power and the group captive power purchased from private power producers even during the power cut and load shedding period, approval for establishing dedicated feeder line connection from the E.B substation to all the three units of your Company has been secured and the connections are in place for units II and III; feeder line connection for Unit I is in process. This will ensure uninterrupted power supply to the spinning mills of your company which will reduce the dependence on diesel generated power and also maximize production through out the day. Further, life of the electrical components could be enhanced due to avoidance of down time during frequent power cuts and thereby quality of the product could be maintained/improved further. As part of future plans, the deferred expansion project at Unit III will be taken up for implementation, at the appropriate time.

(d) Internal control and systems

Your company has in place well established internal control procedures covering various areas such as procurement of raw materials, production planning, quality control, maintenance planning, marketing, cost control and debt servicing. Steps are taken without loss of time, whenever any weakness is observed, to correct the same.

Your Company is certified ISO 9001, ISO14001 and OHSAS18001 for the systems. Further, your Company's laboratory is also certified by NABL.

(e) Human resources management

Employees are your Company's most valuable resource. Your Company continues to create a favourable environment at work place. Your Company has formulated and implemented various welfare measures for the employees. The Company also recognizes the importance of training and consequently deputed its work force in various work related courses/seminars including important issues like Total Quality Management (TQM) behavioral skills, soft skills etc. Because of these labour welfare and improvement measures, your company is able to attract and retain well trained and dedicated workforce.

The fact that the relationship with the employees continues to be cordial is testimony to the Company's ability to retain high quality workforce. In view of the aforesaid relationship no man days were lost during the year under report.

Disclosure as per the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the *Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act 2013*. Management of the Company has set up an Internal Complaints Committee (ICC) to redress any complaint received regarding sexual harassment. All the employees of the Company are covered under this policy. Out of 1451 permanent employees on the rolls of the Company, 360 are women and 1091 are men. No complaint on sexual harassment has been received from any employee during the year and no complaint is pending at the end of the year.

Information pursuant to Section 197 (12) of the Act read with Rules 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 :

- (i) Ratio of the remuneration of each Director, Company Secretary, Chief Financial Officer and Chief Technical Officer to the median remuneration of the employees of the Company and
(ii) percentage increase in their remuneration in 2014-15 as compared to the previous year (2013-14) : (Median Remuneration : Rs.61562 in 2014-15)

Name of whole-time Directors and KMP	Remuneration in 2014-15 Rs. lakhs	Remuneration in 2013-14 Rs. lakhs	% increase in 2014-15 Remn.	Ratio to Median Remn.	Ratio of 2014-15 Remuneration to	
					Revenue	Net Profit
Mr.S.Devarajan, CMD	36.00	36.00	NIL	58.48	0.15 %	10.42 %
Mr.S.Jegarajan, JMD	30.00	30.00	NIL	48.73	0.12 %	8.69 %
Mr.S.Dinakaran, JMD	6.00	6.00	NIL	9.75	0.02 %	1.74 %
Mr.R.S.Shanmugam Company Secretary	6.50	5.85	11 %	10.56	0.03 %	1.88 %
Mr. D.Niranjan Kumar, CFO	18.00	0.68*	233 %	29.24	0.07 %	5.21 %
Mr.J.Sakthivel - CTO	18.00	0.68*	233 %	29.24	0.07 %	5.21 %

* CFO & CTO – for part of the year from 14.2.2014

Name of Non-executive Directors	#	Remuneration in 2014-15 Rs. lakhs	#	Remuneration in 2013-14 Rs. lakhs	% increase in 2014-15 Remuneration	Ratio to Median Remuneration in 2014-15
Mr.D.Sudharsan,	-	0.80		0.40	50 %	1.30
Mr.A.R.Natarajan,	*	0.30		0.40	(-) 25 %	0.49
Mr.A.R.Annamalai	**	0.30		0.40	(-) 25 %	0.49
Smt.S.Abirami	**	0.15		NIL	N.A	0.24

* part of the year – Retired at the AGM held on 28.9.2014

** part of the year – Appointed at the AGM held on 28.9.2014

Name of Independent Directors	#	Remuneration in 2014-15 Rs. lakhs	#	Remuneration in 2013-14 Rs. lakhs	% increase in 2014-15 Remuneration	Ratio to Median Remuneration in 2014-15
Mr.P.S.Ananthanarayanan		2.70		1.60	69 %	4.39
Dr. V.Gopalan		2.70		1.70	59 %	4.39
Mr.N.Asoka		2.15		1.70	26 %	3.49
Mr.S.Gnanasekharan *		2.45		0.10 *	N.A	3.98
Mr.Kameshwar M Bhat **		0.55		NIL	N.A	0.89

Only sitting fees is payable to Non-executive and Independent Directors for the meetings of the Committee or the Board attended by them.

* part of the year – Appointed at the Board Meeting on 14.2.2014

** part of the year – Appointed at the AGM held on 28.9.2014



- (iii) Percentage increase in the remuneration of employees in 2014-15 : 15 %
- (iv) Number of permanent employees on the rolls of the Company : 1451
- (v) Explanation on the relationship between average increase in the remuneration of the employees and Key Managerial Personnel (KMP) as against the Company performance :
Increase in the remuneration of employees and KMP during the year is due to annual increment payable to the employees and KMP, whereas performance of the Company depends on various factors including the market conditions on supply and price of raw material and demand and price for the products (yarn) manufactured by the Company.
- (vi) No employee of the Company is in receipt of remuneration in excess of the highest paid remuneration of the director during the year.
- (vii) Variations in the Market Capitalisation & Price Earning Ratio as at the close of the Financial Year on 31.3.2014 and 31.3.2015 and percentage increase or decrease in the market quotation of the shares :
Paid-up Capital : Rs.4,26,46,000 – 42,64,600 equity shares of Rs.10 each fully paid-up
Equity shares of the Company are listed in the Bombay Stock Exchange (BSE)
Equity shares were listed only after the last public issue in 1995.
As such no market quotation at the time of last public issue of the Company's shares.
Issue price of the equity share in 1995 was rupees fifty including premium of rupees forty per share.

Year end date	Closing market Price per share	Earning Per Share	Price Earning Ratio	Market Capitalisation (Rupees lakhs)
31.3.2014	Rs.66.20	Rs.21.97	3.01	2823.16
31.3.2015	Rs.59.90	Rs.8.10	7.40	2554.49
Variation %	(9.52 %)	(63.13 %)	146 %	(9.52 %)

- (viii) No variable component of the remuneration availed by any director
- (ix) Remuneration payable to the Directors is as per the Remuneration Policy of the Company

Particulars of employees – information pursuant to Rule 5 (2)

None of the employees or directors of the Company has drawn remuneration exceeding Rs.5 lakhs per month or Rs.60 lakhs per annum during the year.

COST AUDIT

In accordance with the provisions of the Companies Act 2013 and the Rules framed there under, Cost Audit for the Company was not applicable for the year 2014-15. However, it is applicable for the financial year commencing from 1st April 2015. On the recommendation of the Audit Committee, Board of Directors of the Company approved the appointment of M/s. S.MAHADEVAN & CO., Cost Accountants, Chennai, for audit of Cost Accounts of the Company for the year 2015-16 and the resolution for ratification of the remuneration payable to the Cost Auditor will be placed before the members for their ratification at the 41st Annual General Meeting of the Company scheduled to be held on 27.9.2015.

Cost Audit Report for the year 2013-14 was submitted on 18.9.2014 to the Ministry of Corporate Affairs (MCA's Acknowledgement vide SRN : S31245186 dated 18.9.2014). Due date for submission of that Cost Audit Report in XBRL format was 27.9.2014.

In view of the Company maintaining the cost records continuously and in order to provide the comparable audited figures for the year 2014-15 in the Cost Audit Report for the year 2015-16, your directors decided to continue the Cost Audit for the year 2014-15 on a voluntary basis. The Cost Auditor has submitted to the Board of Directors his report for the year 2014-15 after duly certifying the cost records.

Directors

At the 40th Annual General Meeting (AGM) of the Company held on 28.9.2014 members appointed Sri Kameshwar M. Bhat, Sri P.S.Ananthanarayanan, Dr.V.Gopalan, Sri N.Asoka and Sri S.Gnanasekharan as Independent Directors of the Company for a term of five consecutive years from the date of that AGM till the conclusion of the 45th AGM of the Company. At the same AGM, Smt. S.Abirami and Sri A.R.Annamalai were appointed as Non-Executive and Non-Independent Directors liable to retire by rotation and all the directors accepted their appointment as on that date. However, Sri A.R.Annamalai resigned from the Board on 19th March 2015 for personal reasons. Board of Directors of the Company while recording its appreciation for the valuable services rendered to the Company by Sri Annamalai during the tenure of his office, decided not to fill the vacancy caused by his resignation. Company's Code of Conduct applicable to the board has been adopted by the board and all the directors of the Company have confirmed compliance with the Code of Conduct.

Since all the five Independent Directors are not liable to retire by rotation, out of the remaining five non-independent directors, Sri S.Jegarajan opted to retire by rotation. However, he is eligible for reappointment by members at the 41st AGM of the Company.

The present term of the Chairman and Managing Director and the two Joint Managing Directors will conclude on 30th September 2015. On the Recommendation of the Nomination and Remuneration Committee, Board of Directors have decided to reappoint all the three whole time directors for a further term of three years from 1.10.2015, subject to the approval of the members. Requisite resolutions for reappointment of the three whole time directors are included in the Notice of the ensuing AGM of the Company.

BOARD MEETINGS :

During the year under review six board meetings were held and the intervening gap between any two board meetings did not exceed 120 days. Dates of the board meetings and details of directors' attendance at the meetings are furnished in the Corporate Governance report at Annexure – VI.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

The Financial Statements have been prepared in all material respects in conformity with the applicable Accounting Standards in a consistent manner, supported by reasonable and prudent judgments and estimates along with proper explanation relating to material departures; The directors believe that the financial statements reflect true and fair view of the financial position as on 31.3.2015 and of the result of operations for the year ended 31.3.2015.

The Financial Statements have been audited by M/s M.S.Krishnaswami & Rajan, Chartered Accountants in accordance with generally accepted auditing standards, which include an assessment of the system of internal controls and tests of transactions to the extent considered necessary by them to support their opinion. There is no qualification or adverse remarks in the Independent Auditors' Report. Similarly in the Secretarial Auditors' Report u/s 204 of the Act (Annexure IV) there is no qualification or adverse remarks.

Maintenance of Accounting Records and Internal Controls

The directors had taken proper and sufficient care for maintenance of adequate accounting records as required by various Statutes. Directors have overall responsibility for the Company's internal control system, which is designed to provide a reasonable assurance for safeguarding of assets, reliability of financial records and for preventing and detecting fraud and other irregularities. Directors had laid down internal financial controls to be followed by the Company and that such controls were adequate and operating effectively.

The internal audit function encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control and quality of performance in carrying out assigned responsibilities. Internal Audit Department interacts with all levels of management and the Statutory Auditors and reports significant issues to the Audit Committee of the Board.

Audit Committee supervises the financial reporting process through review of accounting and reporting practices, financial and accounting controls and financial statements. Audit Committee also periodically interacts with internal and statutory auditors to ensure quality and veracity of the Company's accounts.

Internal Auditors, Audit Committee and Statutory Auditors have full and free access to all the information and records as considered necessary to carry out their responsibilities. All the issues raised by them have been suitably acted upon and followed up.

GOING CONCERN STATUS

The directors had prepared the annual accounts on a going concern basis. In the opinion of the Directors, Company will be in a position to carry on its existing spinning of yarn business.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under view no significant material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the operations of the Company.

COMPLIANCE WITH THE PROVISIONS OF APPLICABLE LAWS

The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD EVALUATION

Board of Directors carried out annual evaluation of its own performance, that of the Committees and the individual directors pursuant to the provisions of Section 134 (3) (p) of the Companies Act 2013, and the corporate Governance requirement as prescribed by the Securities and Exchange Board of India (SEBI) under clause 49 of the Listing Agreement. Performance of the Board was evaluated after seeking input from the Directors on the basis of the criteria such as the Board Composition, effectiveness of board process, information flow and functioning of the Board. Performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as composition of the Committees, effectiveness of the Committee meetings, etc. and it was observed that the performance of the Board as well as the Committees was adequate.

Performance of the non-independent Directors were evaluated by the Independent directors at the meeting of the Independent directors on the basis of four criteria, viz. attendance, participation, individual contribution and benefits derived by the Company.

On the basis of the above criteria performance of all the non-independent directors were found to be adequate. As regards the performance of the Chairman & Managing Director, after taking into consideration the views of the Executive Directors and the non-executive directors, the Independent Directors were of the unanimous view that the Chairman & Managing Director is not only well informed and knowledgeable about the Industry but also has the requisite experience to execute his duties as Chairman and Chief Executive of the Company. His insight and forward looking policies have elevated the status of the Company in the eyes of the stakeholders and the wholesome performance of the Company is in his safe hands and the future of the Company is bright.

Board's evaluation of the independent directors was recorded by the entire board excluding the director being evaluated and the following is the board's observation on the performance of each one of the independent directors.

Mr.P.S.ANANTHANARAYANAN

Board assessed that Mr.P.S.Ananthanarayanan has been an Independent Director of the Company from 10.10.1995. Presently he is the Chairman of the Audit Committee and also Chairman of the Nomination and Remuneration Committee and his contribution has been quite significant for the Company's growth and performance. He having served several companies in senior position with three decades of experience in the field of Cost Control and Planning has been guiding the Company in effective utilization of the Company's resources.

Dr.V.GOPALAN

Board assessed that Dr.V.Gopalan has been an Independent Director of the Company from 19.1.2004. He is a member of the Audit Committee and the Nomination and Remuneration Committee. With his experience in ICICI in Financial Appraisal of the Companies' projects for several years, coupled with his triple membership (CA, CS & CMA) he has been participating at all the Board and Committee meetings very actively.

Mr.N.ASOKA

Board assessed that Mr.N.Asoka has been an Independent Director of the Company from 30.05.2003. He is the Chairman of the Stakeholders Relationship Committee and member of the Audit Committee and the Nomination and Remuneration Committee. Being an Engineering graduate with industrial experience spanning over two decades he has been guiding the Company's future plans effectively.

Mr.S.GNANASEKHARAN

Board assessed that Mr.S.Gnanasekharan has been an Independent Director of the Company from 14.02.2014. With his experience in Accounts and Corporate Finance in India Cements for over two decades he has been participating in the Audit Committee Meetings and Board Meetings effectively.

Mr.KAMESHWAR M. BHAT

Board assessed that Mr.Kameshwar M.Bhat joined the Company as an Independent Director on 28th September 2014 and with his experience in the Banking, Financial Services and Retail Operations spanning over two decades, his participation in the Audit Committee and Board Meetings has been quite effective.

INDUSTRY ASSOCIATIONS

Sri S.Dinakaran, Joint Managing Director of the Company is a member of the Committee of Administration and Chairman of the Yarn Committee of the Cotton Textiles Export Promotion Council (TEXPROCIL), Mumbai and the Confederation of Indian Textile Industry (CITI), Delhi. By virtue of the offices he holds, Sri Dinakaran has been representing to the Industries and Finance Ministries at the appropriate time to get relief to the ailing Textile Industry.

REPORT ON PERFORMANCE OF THE ASSOCIATE COMPANIES :

There are two Associate Companies –

SPMM Health Care Services Pvt. Ltd. - 49.75% investment in the share capital of that Company.

This Company has recorded total revenue of Rs.3,92,43,571 and profit after tax (PAT) of Rs.43,63,920 during the year ended 31.3.2015 as against Rs.3,85,73,790 Revenue and Rs.9,89,354 PAT recorded in the previous year.

Salem IVF Centre Pvt. Ltd. - 21.79% investment in the share capital of that Company.

This Company incorporated on 17th November 2014 has recorded total revenue of Rs.22,47,925 and Loss of Rs.45,00,915 during the first year of its operations (Period from 17.11.2014 to 31.3.2015).

AUDITORS

Auditors, M/s. M.S. Krishnaswami & Rajan, Chartered Accountants, retire at the ensuing annual general meeting and they have confirmed their eligibility and willingness to accept office, if re-appointed. On the recommendation of the Audit Committee your Company's Board is placing the Resolution u/s 139(2) of the Company's Act 2013 for appointing them as Statutory Auditors of the Company for the current financial year.

CAUTIONARY NOTE

Statements in the Directors' report and the management discussion and analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results might differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other related factors such as litigation and industrial relations.

FORM NO. AOC - 1**PART "A": SUBSIDIARIES**

Not Applicable since the Company does not have any subsidiary.

PART "B": ASSOCIATES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

	Name of Associates	SPMM Healthcare Services P.Ltd.	Salem IVF Centre P.Ltd.
1.	Latest Audited Balance Sheet Date	31-03-2015	31-03-2015
2.	Shares of Associate held by the Company on the year end: Number of Shares Amount of Investment in Associates Extent of Holding %	19,90,000 Rs.1,99,00,000 49.75%	3,00,000 Rs.30,00,000 21.79%
3.	Description of how there is significant influence	Holding More than 20% of the Paid Up Share Capital	
4.	Reason why the Associate / Joint Venture is not consolidated	MCA vide its notification dated 14-10-2014 has exempted the consolidation of accounts of associates for the financial year 2014-15 for the Companies which do not have a subsidiary.	
5.	Networth attributable to Shareholding as per latest Audited Balance Sheet	Rs.71,82,662	Rs.20,18,644
6.	Profit / (Loss) for the year	Rs.43,63,920	(Rs.45,00,916)
	Profit / (Loss) attributable to the Shareholding	Rs.21,71,050	(Rs.9,80,749)

1. Names of Associates or Joint Ventures which are yet to Commence Operations : NIL

2. Names of Associates or Joint Ventures which have been liquidated or Sold during the year : NIL

3. The Company does not have any Joint Venture .

Salem
May 28, 2015

D.Niranjan kumar
C.F.O

R.S.Shanmugam
Company Secretary

S.Dinakaran
J.M.D

S.Devarajan
C.M.D

FORM NO. AOC - 2

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto
[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions NOT at Arm's Length Basis – NIL

2. Details of material contracts / arrangements / transactions at Arm's Length Basis

Name(s) of the related parties	and	Nature of Relationship
i) Kandagiri Spinning Mills Limited, Salem	-	Sri S.Devarajan CMD is the Director of Kandagiri Spinning Mills Ltd
ii) S.Palaniandi Mudaliar Charitable Trust	-	Sri S.Devarajan CMD is the Trustee of S.Palaniandi Mudaliar Charitable Trust
iii) Sambandam Siva Textiles Private Ltd Salem	-	Sri S.Dinakaran, JMD is the Managing Director, Sri.D.Sudharsan, Director is the Joint Managing Director and Sri S.Devarajan, CMD is the Director of Sambandam Siva Textiles Private Ltd
iv) Salem IVF Centre Private Limited Salem	-	Sri S.Devarajan, CMD is the Director of Salem IVF Centre Private Ltd.
v) Smt. D.Anupama, Chennai.	-	Smt. D.Anupama is the daughter of Sri S.Devarajan, CMD of the Company
vi) Sri D.Niranjan Kumar, CFO.	-	Sri D.Niranjan Kumar is the son of Sri S.Dinakaran, JMD of the Company
vii) Sri J.Sakthivel, CTO.	-	Sri J.Sakthivel is the son of Sri S.Jegarajan, JMD of the Company

(Contd...)

Audit Committee comprising five Independent Directors has approved all the Contracts entered into with the related parties. The Audit Committee after due evaluation of the necessity and the benefits accruing to the Company by entering into such Contracts with the related parties observed that all the transactions are on 'Arm's Length basis'. On the recommendation of the Audit Committee the Board of Directors of the Company has also approved every Contract with the related parties. There was no materially significant transaction with any of the related parties during the financial year 2014 -15 which was in conflict with the interest of the Company. Therefore the transactions of the Company entered into with the related parties during the financial year 2014 - 15 do not fall within the purview of disclosure pursuant of Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. However suitable disclosures as required under AS -18 have been made in the notes to the financial statements (Refer Note No.3.8 on Pages No. 74 and 75 of this Annual Report).

The Board has devised a Policy on dealing with Related Party Transactions and the policy is uploaded on the Company's website, under the Web Link : [http://: www.sambandam.com](http://www.sambandam.com)

Salem
May 28, 2015

For and on behalf of the Board
S. Devarajan
Chairman and Managing Director

Conservation of energy, technology absorption and research and development and foreign exchange earnings and outgo

A. Conservation of energy

(a) Power and fuel consumption

1. Electricity

		2014-15	2013-14
(i) Purchased units*	'000 KWH	3,30,76	2,34,32
Total cost	Rs. lakhs	2530	2418
Cost/unit	Rs.	7.65	10.32

*net of units generated thro' wind energy converters

(ii) Own generation

1) Through diesel generator

Generated units	'000 KWH	15,27	35,43
Units per litre of diesel	KWH	3.98	3.28
Cost/unit	Rs.	12.77	16.28

2) Through steam turbine/generator

3) Through Wind energy converters		--	--
Generated units(fed to TNEB Grid)	'000 KWH	1,64,19	1,77,92
Cost/unit*	Rs.	3.26	3.09

*Cost includes maintenance charges, interest and depreciation

2. Coal

3. Furnace oil

4. Others

(b) Consumption per unit of production

Production (yarn)	Kgs. lakhs	100.62	97.58
Consumption of electricity	'000 KWH	5,10,22	4,47,67
Consumption per kg. of Yarn	KWH	5.06	4.59

**B. Technology absorption and research and development**

--

--

C. Foreign exchange earnings and outgo

(a) Activities relating to exports

Yarn exports (including merchandise exports)

Rs. lakhs

5757

6555

(b) Total Foreign exchange used and earned

1) CIF value of Imports

Capital goods*

Rs. lakhs

--

--

Spares for Capital goods*

Rs. lakhs

79.73

49.64

Raw materials – cotton*

Rs. lakhs

2170.62

1715.25

*exclusive of net exchange difference

2) Other expenditure in foreign currency

Travel

Rs. lakhs

8.43

6.81

Interest

Rs. lakhs

7.66

10.28

Other matters

Rs. lakhs

6.98

1.94

3) Foreign exchange earned

Yarn export

Rs. lakhs

530.07

599.63

Freight recovery

Rs. lakhs

3.32

2.78

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has an established vigil mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The Company has adopted Whistle Blower Policy in line with the provisions of Section 177(9) of the Companies Act 2013 which can be accessed on the Company's Website under the web link <http://www.corporate@sambandam.com>

RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the action taken to manage them.

Risk Management Policy adopted pursuant to the provisions of Section 134 (3) (n) of the Companies Act 2013 is hosted on the website of the Company under the web link <http://www.corporate@sambandam.com>

CHANGES OR COMMITMENTS AFTER THE YEAR END ON 31.3.2015

No material change or commitment affecting the financial position of the Company has occurred between the close of the financial year on 31.3.2015 and the date of this report.

REPORTS OF STATUTORY AUDITORS AND SECRETARIAL AUDITORS

Reports of the Statutory Auditors and the Secretarial Auditors for the year under review are free from any qualification or adverse remarks.

ACKNOWLEDGEMENTS

Your directors thank the Company's customers, vendors and investors for their continued support during the year. Your directors place on record their appreciation for the contribution made by the employees at all levels. Your Company's consistent growth has been made possible by the hard work, solidarity, cooperation and support of the management team.

Your directors thank State Bank of India, Karnataka Bank Limited, Canara Bank, Axis Bank Limited, Indian Overseas Bank, Central Bank of India and IDBI Bank Limited, Government of Tamil Nadu and other government agencies for their support, and look forward to their continued support in future.

Salem
August 12, 2015

For and on behalf of the Board
S. Devarajan
Chairman and Managing Director

ANNEXURE I**CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR(CMD) AND CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD**

We, S.Devarajan, Chairman and Managing Director and D.Niranjan Kumar, Chief Financial Officer of Sambandam Spinning Mills Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and the audit committee are apprised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We have indicated to the auditors and to the audit committee:
 - a) All Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
 - c) No Instance of significant fraud of which we have become aware of and which involve management or other employees having significant role in the Company's internal control system and financial reporting.

Place : Salem

Date : 28.05.2015

D.Niranjan Kumar
Chief Financial Officer

S.Devarajan
Chairman & Managing Director

ANNEXURE II**Brief outline of the Company's CSR policy , programs undertaken during the year and reference to the web-link to the CSR policy.**

Sambandam Spinning Mills Ltd. (SSML) has been upholding the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. Promoters of the Company believe that social responsibility is not just a corporate obligation that has to be carried out, but it is one's dharma. Therefore, philanthropic endeavour is a reflection of the Company's spiritual conscience and this provides a way to discharge its responsibilities to the various sections of the society.

SSML has been carrying out Corporate Social Responsibility (CSR) activities for a long time through the S.Palaniandi Mudaliar Charitable Trust, and the Trust for Mentally Challenged Children, which are registered autonomous charitable trusts, in the field of Education and Healthcare, while also pursuing CSR activities for the benefit of the community in and around Salem.

Corporate Social Responsibility Purpose Statement

SSML seeks to impact the lives of the underprivileged by supporting and engaging in activities that aim at improving their well-being. Promoters of the Company have dedicated to the cause of empowering people, educating them and in improving their quality of life. While they undertake programmes based on the identified needs of the community, education and healthcare remain their priority. Across the different programme areas identified by the trust, its main endeavour is to reach the underprivileged and the marginalised sections of the society to make a meaningful impact on their lives.

The CSR Policy of the Company can be viewed on the Company's Website under the web link <http://www.corporate@sambandam.com>

Accordingly, the programme areas include the following:

- 1) Promoting preventive health care facilities to economically backward societies,
- 2) Promoting education and Sustainable livelihood to differently abled.
- 3) Provision of Skill Development / Vocational Training,
- 4) Rural Development and Environmental sustainability,
- 5) Promoting Rural Sports, Traditional Arts & Culture

Scope

This policy applies to all projects/programmes undertaken as part of the Company's Corporate Social Responsibility and it is developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices.

The policy ensures compliance and alignment with the activities listed in Schedule VII read with Section 135 of the Companies Act 2013 and the Rules framed there under.

Implementation

The Company undertakes CSR projects / programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy and implements its CSR programmes accordingly.

1 Composition of the CSR Committee :

CHAIRMAN :	SRI S.DEVARAJAN	-	-	Chairman and Managing Director
MEMBERS :	SRI P.S.ANANTHANARAYAN	-	-	Chairman of Audit Committee
	SRI S.JEGARAJAN	-	-	Joint Managing Director
	SRI S.DINAKARAN	-	-	Joint Managing Director
	SRI D.SUDHARSAN	-	-	Non-executive Director

2 Average net profit of the company for last three financial years - - - Rs.135 Lakhs

3 Prescribed CSR Expenditure (two per cent. of the amount as in 2 above) - Rs.2.70 lakhs

4 Details of CSR spent during the financial year :

(i) Livelihood enhancement of differently abled - Provision of artificial limbs - Rs.2,50,000
(Clause (ii) of Schedule VII of the Companies Act 2013)

(ii) Preventive Health Care - Glaucoma Awareness Programme - - Rs.30,000
(Clause (i) of Schedule VII of the Companies Act 2013)

5 Total amount to be spent during the financial year 2014-15 - - Rs.2.80 Lakhs

6 Amount unspent, if any - - - - - NIL

7 Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified.	Sector in which the Project is covered	Local area in which the programs were under taken	Amount outlay - project or Program-wise	Amount spent on the projects or Programs	Cumulative Expenditure upto the reporting period	Amount spent: * Direct or through implementing agency
1	Livelihood enhancement of differently abled.	Clause (ii) of Schedule VII of the Companies Act 2013	Salem District, Tamil nadu.	Rs.2.50 lakhs	Rs.2.50 lakhs	Rs.2.50 lakhs	Rs.2.50 lakhs
2	Promoting preventive health care	Clause (i) of Schedule VII of the Companies Act 2013	Salem District, Tamil nadu	Rs.0.30 lakhs	Rs.0.30 lakhs	Rs.0.30 lakhs	Rs.0.30 lakhs
	Total			Rs.2.80 lakhs	Rs.2.80 lakhs	Rs.2.80 lakhs	Rs.2.80 lakhs

* Details of the implementing agency:

The First item on Livelihood Enhancement of differently abled has been organized through the Salem District Differently Abled Welfare Association by providing Artificial Limbs to 78 Amputees (54 persons below the knee and 24 persons above the knee @ Rs.2500 & Rs.4500 each respectively - total cost Rs.4.19 lakhs. of which Company's contribution was Rs.2.50 lakhs).

The Second item on Promoting Preventive Health Care has been organized through the Arvind Eye Hospital, Salem by conducting GLAUCOMA Awareness Rally- 5 KM. RUN on Sunday, 15.3.2015.

CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives and the CSR Policy of the company.

Place : Salem

Date : 28.05.2015

S . DEVARAJAN
CHAIRMAN - CSR COMMITTEE

ANNEXURE III

Declaration by Independent Directors u/s149(7) of the Companies Act 2013

To
The Board of Directors,
Sambandam Spinning Mills Limited
Salem.

1st April 2014

Dear Sirs,

Pursuant to Section 149(7) of the Companies Act, 2013, I declare that I meet the criteria of independence as provided in clauses (b) to (f) of sub-section (6) of Section 149 of that Act. I am a person of integrity and I possess relevant expertise and experience to be an independent director of Sambandam Spinning Mills Limited ;

- (i) I am not and I was not a promoter or related to any of the promoters of Sambandam Spinning Mills Limited or any of its associate companies ;
- (ii) I do not have and I have not had any pecuniary relationship with Sambandam Spinning Mills Limited or any of its associate companies or with their promoters or directors or senior management and none of my relatives has or had any pecuniary relationship amounting to two per cent of the gross turnover or rupees fifty lakhs during the three immediately preceding financial years or in the current financial year
- (iii) I or any of my relatives have not held the position of Key Managerial Personnel and none of us have been an employee or partner in the firm of auditors or company secretaries in practice or cost auditors of Sambandam Spinning Mills Limited or any of its associate companies during the preceding three financial years or partner in the legal or consultancy firm which had transaction with Sambandam Spinning Mills Limited or any of its associate companies amounting to ten per cent of gross turnover of the firm.
- (iv) I, together with my relatives, do not hold two per cent or more of the total voting power of the company.
- (v) I or any of my relatives have never been a Chief Executive Officer or director of non-profit organization which receives twenty five per cent or more of its receipts from the Company or any of its promoters or directors of Sambandam Spinning Mills Limited or any of its associate companies that holds two per cent or more of the total voting power of the Company.

II. Further, as per the revised Clause 49 of the Listing agreement stated in Circular No.CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and Circular No.CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 of Securities and Exchange Board of India, I declare that:

- (i) I am not and none of my relatives is a material supplier, service provider, customer or lessor or lessee of Sambandam Spinning Mills Limited or any of its associate companies ;
- (ii) I am not receiving any remuneration other than sitting fees and reimbursement of expenses for attending the meetings of the Board or the Committee of Sambandam Spinning Mills Limited ;
- (iii) I am not serving and I will not accept to serve as an independent director in more than seven listed companies ;
- (iv) I am not serving as a whole time director in any listed company ;
- (v) I have not been nominated by any Bank or Financial Institution or any other body or agency to be their nominee director on the Board of directors of Sambandam Spinning Mills Limited ;

III. In accordance with the other provisions of the Companies Act 2013, and SEBI regulations I declare that:

- (i) I shall abide by the code for independent directors prescribed in schedule IV as per section 149(8) of the Companies Act 2013 and Clause 49 of the Listing Agreement ;
- (ii) I shall abide by the code of conduct for directors and top management as may be prescribed by the Board of Directors of Sambandam Spinning Mills Limited ;
- (iii) I have furnished my notice of interest in FORM MBP-1 listing out the Companies, Bodies Corporates and firms together with the list of the other partners / associate persons and the list of my relatives as per Sec.2(77) of the Companies Act 2013 and I shall keep the company informed of any change therein ;
- (iv) I do not suffer any disqualification under section 164 or any other sections of that Act to be a director of a Company ;
- (v) I do not suffer any infirmity under any provision of law to act as an Independent Director of Sambandam Spinning Mills Limited ;

Place: Salem
Date: 1st April 2014

P.S. ANANTHANARAYANAN
KAMESHWAR M. BHAT
S.GNANASEKHARAN

Dr. V. GOPALAN
N.ASOKA

[The above declaration has been given by each Independent Director named above]

ANNEXURE IV

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

**B.KALYANASUNDARAM,
B.Com., ACMA, ACS.**

**OFFICE :
30, PANDAMANGALAM
AGRAHARAM,
WORIUR, TRICHY-620003.
PHONE:0431-2761590**

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
**The Members,
M/S SAMBANDAM SPINNING MILLS LIMITED,
P.B.NO.1, KAMARAJ NAGAR COLONY,
SALEM-636014**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S Sambandam Spinning Mills Limited, Salem-636014 (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/S Sambandam Spinning Mills Limited (the Company) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We have also examined compliance with the applicable clauses of 'The Listing Agreements' entered into by the Company with BSE Limited and Madras Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the year under report, the Company did not attract the provisions of :

- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice with agenda items supported by detailed notes thereon is given to all Directors to schedule the Board Meetings and Committee meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. But there were no dissenting views during the year under report.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period the Company had no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., referred to above.

Place : TIRUCHIRAPALLI
Date : 17/05/2015

FOR B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES
B.KALYANASUNDARAM
COMPANY SECRETARY
ACS NO. A672. CP. NO. 2209

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as at the financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L17111TZ1973PLC000675
- ii) Registration Date : 07-11-1973
- iii) Name of the Company : SAMBANDAM SPINNING MILLS LIMITED
- iv) Category : Company Limited by Shares
- v) Sub-Category of the Company : Indian Non-Government Company
- vi) Address of the registered office and contact details : Kamaraj Nagar Colony, P.B.No.1,
Salem – 636 014. Tamilnadu
Telephone / Fax : 0427 2240790 ; Fax 0427 2240169
Email ID : corporate@sambandam.com,
Website : www.sambandam.com
- vii) Whether listed company : YES
- viii) Name, Address and Contact details of the Registrar and Transfer Agent, if any : Cameo Corporate Services Limited,
‘Subramnian Building’,
No.1, Club House Road,
Chennai 600 002.
Telephone / Fax : 044-28460390 (5 lines), Fax : 044 - 28460129
Email ID : investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of the product	NIC Code of the Product	% to total turnover of the Company
1	Manufacture of Cotton Yarn	13111	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

There is no Holding or Subsidiary Company; only two Associate Companies

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CORPORATE IDENTITY NUMBER	HOLDING/ SUBSIDIARY/ ASSOCIATE	PERCENTAGE OF SHARES HELD	APPLICABLE SECTION OF COMP. ACT '13
1	SPMM Health Care Services P Ltd	U85110TZ2003PTC010761	Associate	49.75 %	2 (6) & 129
2	Salem IVF Centre Private Limited	U74999TZ2014PTC020878	Associate	21.79 %	2 (6) & 129

IV. SHARE HOLDING PATTERN**(Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	2343143	1170	2344313	54.97	2097903	1170	2099073	49.22	(-) 5.75
Others	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	2343143	1170	2344313	54.97	2097903	1170	2099073	49.22	(-) 5.75
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoters (A)= (A)(1)+(A)(2)	2343143	1170	2344313	54.97	2097903	1170	2099073	49.22	(-) 5.75

Except Individual promoters (all Indians), there is no other share holding under this category.

B. Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Bank / FI - GIC	76590	0	76590	1.79	76590	0	76590	1.79	0
c) to j) Others NIL	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	76590	0	76590	1.79	76590	0	76590	1.79	0
2) Non-Institutions									
a) Bodies Corporate									
i) Indian	124766	1800	126566	2.97	132108	1800	133908	3.14	(+) 0.17
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals-									
i) Individual Share holders holding nominal sharecapital upto Rs.1 lakh	543057	169916	712973	16.72	566029	162516	728545	17.08	(+) 0.36
ii) Individual share holders holding nominal share capital in excess of Rs.1 lakh	611696	198420	810116	19.00	855411	198420	1053831	24.71	(+) 5.71
c) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
d) Any other									
Clearing Members	480	0	480	0.01	52	0	52	0.001	(-) 0.009
HUF	185472	0	185472	4.35	165151	0	165151	3.87	(-) 0.48
Non resident Indians	8090	0	8090	0.19	7450	0	7450	0.17	(-) 0.02
Sub-total (B) (2)	1473561	370136	1843697	43.23	1726201	362736	2088937	48.98	(+) 5.75
Total shareholding (B) = (B)(1)+(B)(2)	1550151	370136	1920287	45.03	1802791	362736	2165527	50.78	(+) 5.75
C. Shares held by custodian for GDR's and ADR's	0	0	0	0	0	0	0	0	0
Total (A) + (B) + (C)	3893294	371306	4264600	100.00	3900694	363906	4264600	100.00	0

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total share	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total share
1	S P SAMBANDAM (SHUF)	1170	0.03	-- Nil --	1170	0.03	-- Nil --
2	S DEVARAJAN	388674	9.11	-- Nil --	388674	9.11	-- Nil --
3	S JEGARAJAN	440846	10.34	-- Nil --	440846	10.34	-- Nil --
4	S DINAKARAN	359879	8.44	-- Nil --	359879	8.44	-- Nil --
5	R.SELVARAJAN	2640	0.06	-- Nil --	2640	0.06	-- Nil --
6	A.R.ANNAMALAI	93364	2.19	-- Nil --	20527	0.48	-- Nil --
7	A.R.NATARAJAN	192390	4.51	-- Nil --	192390	4.51	-- Nil --
8	N.USHA	14250	0.33	-- Nil --	14250	0.33	-- Nil --
9	A.G.VENKATESAN	251785	5.90	-- Nil --	115283	2.70	-- Nil --
10	V.KALAIVANI	43000	1.01	-- Nil --	3251	0.08	-- Nil --
11	A.SARAYU	200	0.01	-- Nil --	200	0.01	-- Nil --
12	D.SUDHARSAN	77060	1.81	-- Nil --	77060	1.81	-- Nil --
13	S P SAMBANDAM	50750	1.19	-- Nil --	50750	1.19	-- Nil --
14	PARAMESWARI JEGARAJAN	22300	0.52	-- Nil --	22300	0.52	-- Nil --
15	D.SARADHAMANI	101180	2.37	-- Nil --	101180	2.37	-- Nil --
16	J.SAKTHIVEL	14800	0.35	-- Nil --	14800	0.35	-- Nil --
17	D.MANJULA	30540	0.72	-- Nil --	30540	0.72	-- Nil --
18	D.MINUSAKTHIPRIYA	4000	0.09	-- Nil --	4000	0.09	-- Nil --
19	D.NIRANJANKUMAR	4300	0.10	-- Nil --	4300	0.10	-- Nil --
20	J.RAMYA	26540	0.62	-- Nil --	26540	0.62	-- Nil --
21	D.ANUPAMA	400	0.01	-- Nil --	400	0.01	-- Nil --
22	RATHIPRIYA D	41580	0.98	-- Nil --	41580	0.98	-- Nil --
23	S DINAKARAN (HUF)	28975	0.68	-- Nil --	28975	0.68	-- Nil --
24	S DEVARAJAN (HUF)	45895	1.08	-- Nil --	45895	1.08	-- Nil --
25	S JEGARAJAN (HUF)	28975	0.68	-- Nil --	28975	0.68	-- Nil --
26	S SIVAKUMAR	3080	0.07	-- Nil --	3080	0.07	-- Nil --
27	D RADHABAI	29440	0.69	-- Nil --	0	0.00	-- Nil --
28	D SENTHILNATHAN	9140	0.21	-- Nil --	38580	0.90	-- Nil --
29	V VALARNILA	37160	0.87	-- Nil --	37160	0.87	-- Nil --
30	S SIVAKUMAR	3848	0.09	-- Nil --	3848	0.09	-- Nil --
	TOTAL	2348161	55.06		2099073	49.22	

(iii) Change in Promoters' Shareholding

Sl. No	Name	No. of Shares at the beginning of the year (01-04-14)		Date	Increase/ Decrease in share - holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	A.G.Venkatesan	251785	5.90	11-04-2014	-10700	Sale of Shares	241085	5.65
				18-04-2014	-5500	Sale of Shares	235585	5.52
				25-04-2014	-3585	Sale of Shares	232000	5.44
				06-06-2014	-910	Sale of Shares	231090	5.42
				13-06-2014	-141	Sale of Shares	230949	5.42
				20-06-2014	-2700	Sale of Shares	228249	5.32
				30-06-2014	-750	Sale of Shares	227499	5.33
				04-07-2014	-2000	Sale of Shares	225499	5.29
				22-08-2014	-3000	Sale of Shares	222499	5.22
				05-09-2014	-29500	Sale of Shares	192999	4.56
				12-09-2014	-500	Sale of Shares	192499	4.51
				30-09-2014	-10000	Sale of Shares	182499	4.28
				17-10-2014	-10500	Sale of Shares	171999	4.03
				31-10-2014	-800	Sale of Shares	171199	4.01
				07-11-2014	-10269	Sale of Shares	160930	3.77
				21-11-2014	-13000	Sale of Shares	147930	3.47
				12-12-2014	-9941	Sale of Shares	137989	3.24
				09-01-2015	-10664	Sale of Shares	127325	2.99
				16-01-2015	-2115	Sale of Shares	125210	2.94
				23-01-2015	-900	Sale of Shares	124310	2.91
				30-01-2015	-427	Sale of Shares	123883	2.90
				06-02-2015	-5600	Sale of Shares	118283	2.77
				13-02-2015	-3000	Sale of Shares	115283	2.70

(iii) Change in Promoters' Shareholding (Contd)

Sl. No	Name	No. of Shares at the beginning of the year (01-04-14)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
2.	A.R.Annamalai	93364	2.19	11-04-2014	-5000	Sale of Shares	88364	2.07
				25-04-2014	-8000	Sale of Shares	80364	1.88
				16-05-2014	-50	Sale of Shares	80314	1.88
				23-05-2014	-3421	Sale of Shares	76893	1.80
				30-05-2014	-3000	Sale of Shares	73893	1.73
				06-06-2014	-2883	Sale of Shares	71010	1.67
				13-06-2014	-2000	Sale of Shares	69010	1.62
				20-06-2014	-4900	Sale of Shares	64110	1.50
				30-06-2014	-1250	Sale of Shares	62860	1.47
				04-07-2014	-1440	Sale of Shares	61420	1.44
				11-07-2014	-1001	Sale of Shares	60419	1.42
				08-08-2014	-1000	Sale of Shares	59419	1.39
				14-08-2014	-2767	Sale of Shares	56652	1.33
				22-08-2014	-2000	Sale of Shares	54652	1.28
				29-08-2014	-1000	Sale of Shares	53652	1.26
				05-09-2014	-3500	Sale of Shares	50152	1.18
				12-09-2014	-2600	Sale of Shares	47552	1.11
				17-09-2014	-2000	Sale of Shares	45552	1.07
				30-09-2014	-2510	Sale of Shares	43042	1.01
				03-10-2014	-2	Sale of Shares	43040	1.01
				10-10-2014	-1000	Sale of Shares	42040	0.99
				17-10-2014	-1192	Sale of Shares	40848	0.96
				24-10-2014	-500	Sale of Shares	40348	0.95
				31-10-2014	-5000	Sale of Shares	35348	0.83
				07-11-2014	-20	Sale of Shares	35328	0.83
				14-11-2014	-1000	Sale of Shares	34328	0.80
				21-11-2014	-1250	Sale of Shares	33078	0.78
				28-11-2014	-693	Sale of Shares	32385	0.76
				05-12-2014	-1553	Sale of Shares	30832	0.72
				12-12-2014	-500	Sale of Shares	30332	0.71
				31-12-2014	-1637	Sale of Shares	28695	0.67
				02-01-2015	-101	Sale of Shares	28594	0.67
				09-01-2015	-1360	Sale of Shares	27234	0.64
				16-01-2015	-907	Sale of Shares	26327	0.62
				23-01-2015	-1700	Sale of Shares	24627	0.58
				30-01-2015	-1000	Sale of Shares	23627	0.55
				06-02-2015	-1000	Sale of Shares	22627	0.53
				27-02-2015	-500	Sale of Shares	22127	0.52
				06-03-2015	-500	Sale of Shares	21627	0.51
				20-03-2015	-1100	Sale of Shares	20527	0.48
3.	V.Kalaivani	43000	1.01	11-04-2014	-3000	Sale of Shares	40000	0.94
				25-04-2014	-3000	Sale of Shares	37000	0.87
				02-05-2014	-5000	Sale of Shares	32000	0.75
				16-05-2014	-2000	Sale of Shares	30000	0.70
				13-06-2014	-1300	Sale of Shares	28700	0.67
				20-06-2014	-3400	Sale of Shares	25300	0.59
				30-06-2014	-948	Sale of Shares	24352	0.57
				04-07-2014	-2352	Sale of Shares	22000	0.52
				22-08-2014	-4500	Sale of Shares	17500	0.41
				12-09-2014	-4600	Sale of Shares	12900	0.30
				17-10-2014	-1000	Sale of Shares	11900	0.28
				31-10-2014	-176	Sale of Shares	11724	0.28
				21-11-2014	-2000	Sale of Shares	9724	0.23
				12-12-2014	+227	Purchase of Shares	9951	0.23
				09-01-2015	-500	Sale of Shares	9451	0.22
				16-01-2015	-200	Sale of Shares	9251	0.22
				06-02-2015	-3500	Sale of Shares	5751	0.13
				13-02-2015	-2500	Sale of Shares	3251	0.08

(iv) Details of change in shareholding position of TOP TEN shareholders :
(other than Directors, Promoters and Holders of GDR's and ADR's)

Sl. No	Name	No. of Shares at the beginning of the year (01-04-14)		Date	Increase/ Decrease in share - holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Vinodchandra Mansukhlal Parekh and Sanjeev Vinodchandra Parekh	124610	2.92	21-11-2014	+11908	Purchase of Shares	136518	3.20
2	Kandagiri Spinning Mills Limited	90000	2.11	01-04-2014	0	Nil Movement during the year	90000	2.11
3	General Insurance Corporation of India	76590	1.80	01-04-2014	0	Nil Movement during the year	76590	1.80
4	Sanjeev Vinodchandra Parekh and Daksha Sanjeev Parekh	66563	1.56	02-01-2015	+970	Purchase of Shares	67533	1.58
5	Narendra Ravilal Shah - HUF	50362	1.18	06-01-2014 01-08-2014 28-11-2014 05-12-2014	+638 -1224 -176 -39600	Purchase of Shares Sale of Shares Sale of Shares Sale of Shares	51000 49776 49600 10000	1.20 1.17 1.16 0.23
6	Sangita Kumarpal Parekh and Kumarpal Mansukhlal Parekh	42404	0.99	01-04-2014	0	Nil Movement during the year	42404	0.99
7	Jitendra Mansukhlal Parekh	25244	0.59	31-10-2014 07-11-2014	+7383 +1907	Purchase of Shares Purchase of Shares	32627 34534	0.77 0.81
8	Chandrika Vinodchandra Parekh and Vinodchandra Mansukhlal Parekh	22127	0.52	18-04-2014 05-12-2014 06-02-2015	+2600 +36024 +600	Purchase of Shares Purchase of Shares Purchase of Shares	24727 60751 61351	0.58 1.42 1.44
9	Kalpana Mansukhlal Parekh	17268	0.40	04-04-2014 11-04-2014 18-04-2014	+500 +2000 +12767	Purchase of Shares Purchase of Shares Purchase of Shares	17768 19768 32535	0.42 0.81 0.76
10	Kumarpal Mansukhlal Parekh	15942	0.38	23-01-2015 30-01-2015 06-02-2015	+600 +591 +14385	Purchase of Shares Purchase of Shares Purchase of Shares	16542 17133 31518	0.39 0.40 0.74

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year :					
1	Sri S.DEVARAJAN, CMD	388674	9.1139	388674	9.1139
2	Sri S.JEGARAJAN, JMD	440846	10.3373	440846	10.3373
3	Sri S.DINAKARAN, JMD	359879	8.4387	359879	8.4387
4	Sri D.SUDHARSAN, Director	77060	1.8069	77060	1.8069
5	Sri A.R.NATARAJAN, Director *	192390	4.5113	192390	4.5113
6	Sri A.R. ANNAMALAI, Director **	93364	2.1892	# 20527	0.4813
7	Sri R.S.SHANMUGAM, CS	0	0	0	0
8	Sri D.NIRANJAN KUMAR , CFO	4300	0.1008	4300	0.1008
	Total	1556513	36.4976	1483676	34.7902
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		Nil	Nil	# (72837)	(1.7079)
At the End of the year				1410839	33.0823

* Sri A.R.Natarajan Non-Executive and Non-Independent director retired at the 40th A GM held on 28.9.2014 and he opted out of the Board.

* Sri A.R.Annamalai was appointed by members as Non-Executive and Non-Independent director of the Company at the 40th A GM held on 28.9.2014 and he resigned on 19.3.2015.

Decrease in the shareholding at the end of the year is on account of sale of shares during the year – for details refer IV (iii) above.

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rupees lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10344.75	NIL	629.86	10974.61
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	10344.75	NIL	629.86	10974.61
Change in Indebtedness during the financial year				
a) Addition	1212.88	NIL	190.55	1403.43
b) Reduction	2349.85	NIL	607.36	2957.21
Net Change	(1136.97)	NIL	(416.81)	(1553.78)
Indebtedness at the end of the financial year				
i) Principal Amount	9207.78	NIL	213.05	9420.83
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	9207.78	NIL	213.05	9420.83

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director and Whole-time Directors**

(Rupees lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. S.Devarajan CMD	Mr. S.Jegarajan JMD	Mr. S.Dinakaran JMD	
1.	Gross salary				
	(a) Salary as per provisions contained in sec. 17(1) of the Income-tax Act, 1961	21.60	18.00	6.00	45.60
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	14.40	12.00	Nil	26.40
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil Nil	Nil Nil	Nil Nil	Nil Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	36.00	30.00	6.00	72.00
	Ceiling as per the Act (Schedule V)	42.00	42.00	42.00	126.00

B. Remuneration to other directors – only sitting fees for attending the meetings of the Company (excluding travelling, stay & out of pocket expenses)

(Rupees lakhs)

Sl. no	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	Mr.P.S.Anantha narayanan	Dr.V.Gopalan	Mr.N.Asoka	Mr.S.Gnana sekharan	Mr.Kameshwar M Bhat	
(a)	Fee for attending Audit Committee meeting	1.40	1.40	1.15	1.40	0.25	5.60
(b)	Fee for attending Nomination and Remuneration Committee meeting	0.25	0.25	0.10	---	---	0.60
(c)	Fee for attending Independent Directors meeting	0.25	0.25	0.25	0.25	---	1.00
(d)	For Board Meeting	0.80	0.80	0.65	0.80	0.30	3.35
(e)	Commission	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Others	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	2.70	2.70	2.15	2.45	0.55	10.55

B. Remuneration to other directors – only sitting fees for attending the meetings of the Company (excluding travelling, stay & out of pocket expenses)

2.	Other Non-Executive Directors	Mr.D.Sudharsan	Smt.S.Abirami	Mr.A.R.Natarajan	Mr.A.R.Annamalai	Total Amount
	Fee for attending Board Meeting	0.80	0.15	0.30	0.30	1.55
	Commission	Nil	Nil	Nil	Nil	Nil
	Others	Nil	Nil	Nil	Nil	Nil
	Total (2)	0.80	0.15	0.30	0.30	1.55
	Overall Ceiling as per the Act	Rs.1 lakh per meeting	Rs.1 lakh per meeting	Rs.1 lakh per meeting	Rs.1 lakh per meeting	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Mr. R.S.Shanmugam	Mr.D.Niranjan Kumar	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Rs.6,50,000 Nil Nil	Rs.18,00,000 Nil Nil	Rs.24,50,000 Nil Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	Rs.6,50,000	Rs.18,00,000	Rs.24,50,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

TYPE	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.COMPANY Penalty / Punishment / Compounding	-NIL-	-NIL-	-NIL-	-NIL-	-NIL-
B.DIRECTORS Penalty / Punishment / Compounding	-NIL-	-NIL-	-NIL-	-NIL-	-NIL-
C. OTHER OFFICERS IN DEFAULT Penalty / Punishment / Compounding	-NIL-	-NIL-	-NIL-	-NIL-	-NIL-

REPORT ON CORPORATE GOVERNANCE – Annexure to Directors' Report

Company's philosophy on corporate governance

Company's philosophy on corporate governance is delineated below:

- Effectiveness measured by quality of leadership resulting in best performance
- Accountability through openness, public disclosure and transparency of activities
- Conforming to high ethical standards in financial policies, internal controls, constant attention towards high quality of its products and continuous upgrading of skills
- Responsibility and responsiveness to stakeholders including shareholders, customers, vendors, employees, lenders and government agencies
- Sustaining a healthy and ever improving bottom line
- Upholding the spirit of social responsibility and
- To create a management team with entrepreneurial and professional skills

Rights of Shareholders

Your Company protects and facilitates shareholder's rights, provides adequate and timely information, opportunity to participate effectively in general meeting and ensure equitable treatment to all shareholders.

Role of stakeholders in Corporate Governance

Your Company recognises the right of stakeholders and encourages co-operation between the Company and stakeholders to enable participation in Corporate Governance process.

Disclosures and transparency

Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

Board of directors

As on March 31 2015 Your Company's Board comprised of 10 Directors (out of which 50% of the Directors are Independent Directors). The composition of the Board is:

Independent Directors

Sri P.S. Ananthanarayanan
Dr. V. Gopalan
Sri S. Gnanasekharan
Sri N. Asoka
Sri Kameshwar M. Bhat *

Executive Directors

Sri S. Devarajan – Chairman & Managing Director
Sri S. Jegarajan – Joint Managing Director
Sri S. Dinakaran – Joint Managing Director

Non Executive Directors

Sri D. Sudharsan and Smt S. Abirami **

* Sri Kameshwar M. Bhat was appointed by members at the Annual General meeting held on September 28, 2014 as an Independent Director of the Company not liable to retire by rotation to hold office for a term of five consecutive years from 28.9.2015 till the conclusion of the 45th AGM of the Company. All the other four independent directors were also appointed by members at the same AGM on same terms.

** Smt S. Abirami was appointed by members at the Annual General meeting held on 28.9.2014 as a non-executive director of the Company, liable to retire by rotation.

Sri S. Devarajan, Sri S. Dinakaran, Sri S. Jegarajan, Sri D. Sudharsan and Smt S. Abirami are related to each other.

The Board of directors met six times during the year and the time gap between any two board meetings did not exceed 120 days. Board meetings were held on April 1, 2014, May 9, 2014, May 30, 2014, August 13, 2014, November 6, 2014 and February 6, 2015. Attendance at the Board Meetings and the last Annual General Meeting and details of membership of Directors' in Board and Committees are:

Name of the Director	No. of Board meetings attended	Whether attended last AGM	No. of directorship (including Sambandam Spinning Mills Limited)	No. of Membership of board / committee (including Sambandam Spinning Mills Limited)	No. of equity shares held
S. Devarajan	6	Yes	8	3	3,88,674
S. Dinakaran	4	Yes	7	-	3,59,879
S. Jegarajan	6	Yes	3	1	4,40,846
D. Sudharsan	6	Yes	3	2	77,060
S. Abirami **	1	Yes	1	-	-
A.R. Annamalai ***	2	Yes	-	-	20,527
A.R. Natarajan*	2	Yes	2	-	1,92,390
P.S. Ananthanarayanan	6	Yes	2	2	-
V. Gopalan	6	Yes	3	2	-
S. Gnanasekharan	6	No	2	2	-
N. Asoka	5	Yes	3	4	-
Kameshwar M. Bhat **	2	Yes	2	2	-

* retired at the AGM held on September 28, 2014

** appointed as director w.e.f. September 28, 2014

*** appointed as director w.e.f. September 28, 2014 and resigned as director w.e.f. March 19, 2015

Note: Only membership of Audit Committee, Share Transfer Committee and Stakeholders Relationship Committee are to be considered as per clause 49 (1) (c) of the Listing Agreement with Stock Exchanges.

During the year under review, none of the Directors of the Company was a member of more than 10 specified Committees or Chairman of more than 5 such Committees in companies in which he/she is a Director. Your Company's Directors promptly notify any change(s) in the committee positions as and when they take place.

Board fulfills the key functions as prescribed under Clause 49 of the Listing Agreement. Details of the Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

Independent Directors

Your Company appointed independent Directors who are renowned people having expertise/experience in their respective field/profession. None of the Independent Directors is a promoter or related to the promoters. They do not have any pecuniary relationship with the Company and further they do not hold two percent or more of the total voting power of the Company. All Independent Directors maintain their limits of directorship as required under Clause 49 of the Listing Agreement. The Company has issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company.

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

During the year, meeting of Independent Directors was held to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board. Sri P.S. Ananthanarayanan, Chairman of the meeting presented the views of the Independent Directors on matters relating to Board processes and the overall affairs of the Company to the full Board.

Your Company follows a familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis.

Fees paid to the Non-executive Directors (including the Independent Directors) are fixed by the Board and the compensation is within the limits prescribed under the Companies Act, 2013.

Code Of Conduct

The Code of Conduct laid down by the Company is applicable to the Board of Directors (incorporating duties of Independent Directors) and the Senior Management. This Code of Conduct emphasizes the Company's commitment to comply with the highest standards of legal and ethical behaviour. All the Directors and senior management have adhered to the Code of Conduct of the Company during the year and have signed declarations of compliance to the Code of Conduct. Pursuant to Clause 49 of the Listing Agreement, the Chairman and Managing Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management.

Your Company has adopted a Code of Conduct as per the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015. All the Directors and the designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Whistle Blower Policy

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Protected Disclosures, if any, reported under this Policy will be appropriately and expeditiously investigated by the Chairman. Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website.

Audit Committee

Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

The Audit Committee comprises Sri P.S.Ananthanarayanan, Independent Director as Chairman, Dr.V.Gopalan, Sri N.Asoka, Sri S.Gnanasekharan and Sri Kameshwar M.Bhat, all Independent Directors as Members. Sri Kameshwar M. Bhat was inducted as a Member of the Committee w.e.f. November 6, 2014. All members of the Audit Committee are financially literate and have expertise in accounting/financial management. The Managing Director, Chief Financial Officer, Internal Auditor and Statutory Auditors attended meetings of the Committee as invitees. Sri R.S.Shanmugam Company Secretary is the Secretary to the committee.

Meetings and Attendance

The Audit Committee met six times during the year and the time gap between any two meetings did not exceed more than four months.

Date of Meetings	Total No. of Members	No. of Members Present
April 1, 2014	4	4
May 9, 2014	4	4
May 29, 2014	4	4
August 12, 2014	4	3
November 5, 2014	4	4
February 6, 2015	5	5

The broad terms of reference of the Audit Committee are :

- To review the quarterly/half-yearly/annual financial statements with reference to changes, if any in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any, arising out of audit findings.
- Compliance with listing and legal requirements relating to financial statements, qualifications, if any in the draft audit report.
- Review of internal audit function and discussion on internal audit reports.
- Review of vigil mechanism and above all adequacy of internal control systems.
- Review of risk management policies especially enterprise level risk managements.

- g) Disclosure of related party transactions and subsequent modifications, if any.
- h) Scrutiny of inter-corporate loans and investments.
- i) Review and recommendation of appointment, remuneration and terms of appointment of Statutory auditors.
- j) Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Agreement and Provisions of Section 177 of the Companies Act, 2013.

Nomination and Remuneration Committee

In line with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the nomenclature of this Committee has been changed to Nomination and Remuneration Committee. The Nomination and Remuneration Committee comprises Sri P.S.Ananthanarayanan, Independent Director as Chairman, Dr.V.Gopalan and Sri N.Asoka, Independent Directors as Members. The Remuneration Policy formulated by the Committee and approved by the Board is annexed at the end of this Report. Details of the remuneration paid to all the Directors are furnished in this report.

Meetings and Attendance

Date of Meetings	Total No. of Members	No. of Members Present
April 1, 2014	3	3
August 13, 2014	3	2

The broad terms of the Nomination and Remuneration Committee are (i) to formulate Remuneration Policy, (ii) formulate criteria for evaluation of Directors and the Board, (iii) ensure that the Remuneration Policy includes the criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, (iv) identify persons who are qualified to become Directors and who may be appointed to Senior Management positions in accordance with the criteria laid down, recommend to the Board their appointment and/or removal and carry out evaluation of every Director's performance, (iv) ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Risk Management

Your Company laid down procedures to inform Board members about risk assessment and minimization and has implemented the Risk Management plan and continuously monitors it.

Related Party Transactions

Your company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transactions. Necessary disclosures regarding the transactions with related parties are given in the Notes to the financial statements. During the year under review, Your Company had not entered into any material transaction with any of its related parties.

Disclosures

(i) Related Party Transactions

The Policy on Related Party Transactions is hosted on the website of the Company under the web link <http://www.corporate@sambandam.com>

(ii) Disclosure of Accounting Treatment

Your Company has not adopted any alternate accounting treatment different from that prescribed under the Accounting Standards.

(iii) Remuneration of Directors

Non-executive Directors are entitled to Sitting Fee for attending each meeting of the Board or any Committee(s) of the Board. Details of payment of Sitting Fee for the year 2014-15 are as follows.

Name of the Director	Sitting fees(#) Rs.
S. Devarajan	--
S. Dinakaran	--
S. Jegarajan	--
D. Sudharsan	80,000
S. Abirami **	15,000
A.R. Annamalai ***	30,000
A.R. Natarajan*	30,000
P.S. Ananthanarayanan	2,70,000
V. Gopalan	2,70,000
S. Gnanasekharan	2,45,000
N. Asoka	2,15,000
Kameshwar M. Bhat **	55,000

*retired at the AGM held on September 28, 2014

**appointed as director w.e.f. September 28, 2014

***appointed as director w.e.f September 28, 2014 and resigned as director w.e.f. March 19, 2015

(#) excluding reimbursement of travel and other expenses incurred by the director for attending the meetings of the Company.

Details of the Remuneration paid to the Managing Director and other executive Directors for the financial year ended March 31, 2015

Rupees			
Name	Salary	Perquisites	Total
Sri S. Devarajan	21,60,000	14,40,000	36,00,000
Sri S. Jegarajan	18,00,000	12,00,000	30,00,000
Sri S. Dinakaran	6,00,000	-	6,00,000

The above have been approved by the Nomination and Remuneration Committee. The Company has no Employee Stock Options Scheme in force at present.

(iv) Management

Management Discussion and Analysis including all the information prescribed under Clause 49 (VIII)(D) of the Listing Agreement is furnished in the Directors' Report.

Disclosures have been made by the Senior Management relating to all material, financial and commercial transactions with personal interests, if any. Based on the declarations made, no transaction is in conflict with the interest of the Company.

(v) Shareholders

Details relating to appointment and re-appointment of Directors as required under Clause 49(VIII)(E) of the Listing Agreement is provided in the Notice to the Annual general Meeting.

STAKEHOLDERS RELATIONSHIP COMMITTEE

In line with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement the nomenclature of this Committee has been changed to Stakeholders Relationship Committee. The Committee consists of Sri N.Asoka, an Independent Director as Chairman, Sri S.Jegarajan, Executive Director and Sri D. Sudharsan, non-executive Director as Members.

The Committee considers and resolves the grievances of the stake holders. The Committee also reviews the manner and time-lines of dealing with the complaint letters received from all stake holders including the Stock Exchange, SEBI and the Ministry of Corporate Affairs and the response thereto. Sri R.S.Shanmugam Company Secretary is the Secretary to the Committee and the Compliance Officer appointed for compliance of the capital market related laws.

Meetings and Attendance

Date of Meeting	Total no. of Members	No. of Members present
May 30, 2014	3	3
August 13, 2014	3	2
November 6, 2014	3	3
February 6, 2015	3	3

During the year, 42 request letters were received from investors on routine matters and all these were dealt with satisfactorily. No complaint was received and no complaint was pending as on March 31, 2015.

SHARE TRANSFER COMMITTEE

Share Transfer Committee has been constituted mainly to look into transfer and transmission of shares. Share transfers are effected by the Registrar and Transfer Agent (RTA) Cameo Corporate Services Limited, Chennai, on the authorization given by the Board. The transfers/transmissions effected by the Registrar are submitted to the Share Transfer Committee for confirmation. Sri S.Devarajan, Chairman and Managing Director, chairs the meetings of the committee. Sri S.Jegarajan, executive director and Sri D.Sudharsan, non-executive director, are the members of the committee. Sri R.S.Shanmugam, Company Secretary is the Secretary of the Committee and the Compliance Officer. As on March 31, 2015, no share transfer/transmission was pending.

Meetings and Attendance

Date of Meeting	Total no. of Members	No. of Members present
May 30, 2014	3	3
August 13, 2014	3	2
November 6, 2014	3	3
February 6, 2015	3	3

(vi) There have been no public issues, rights issues or other public offerings during the past 5 years.

(vii) Strictures and penalties

There has been no instance of non-compliance by the Company on any matter related to the capital markets, nor has any penalty / Strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years. Your Company has complied with the mandatory requirements of the Listing Agreement.

GENERAL INFORMATION

A General Body Meetings

Details of location and time of holding the last three Annual General Meetings (AGM)

Year	Location	Date & Time
40 th AGM – 2014	Mill Premises, Kamaraj Nagar Colony, Salem 636 014	September 28, 2014 10.30 a.m.
39 th AGM – 2013	Mill Premises, Kamaraj Nagar Colony, Salem 636 014	August 14, 2013 10.45 a.m.
38 th AGM – 2012	Mill Premises, Kamaraj Nagar Colony, Salem 636 014	August 13, 2012 10.15 a.m.

Chairman of the Audit Committee was present at all the above AGMs. No EGM was held in the last three years. Special Resolutions have been passed in the previous three Annual General Meetings held in 2012, 2013 and 2014. Postal Ballot as well as electronic voting facility was provided to members for all the Resolutions included in the Notice of the 40th AGM held on 28.9.2014.

B Means of Communication

- (i) **Quarterly results:** Financial Results have been published in national (English) business newspaper and in one vernacular (Tamil) newspaper. The quarterly results and presentations are also displayed on the Company's website www.sambandam.com
- (ii) **Website:** The Company's website contains a dedicated section "Investor" which displays details / information of interest to various stakeholders.

C General shareholder information

a. 41st Annual General Meeting		
Day, Date and Time	September 27, 2015, 10.30 a.m.	
Venue	Mill Premises, Kamaraj Nagar Colony, Salem 636 014.	
b. Financial Calendar		
Unaudited Financial results for the first quarter ending June 30, 2015	2 nd week of August 2015	
Unaudited Financial results for the second quarter / half-year ending September 30,2015.	2nd week of November 2015	
Unaudited results for the third quarter ending December 31,2015	2 nd week of February 2016	
Audited Results for 4 th quarter and the year ending March 31,2016	Before 31st May 2016	
c. Book Closure Date	From Saturday, 19-9-2015 to Sunday 27-9-2015 (both days inclusive)	
d. Dividend Payment Date	From October 14, 2015 to October 24, 2015, subject to the approval of the Company's Bankers.	
e. Listing of Equity Shares	BSE Limited	
f. Listing Fee	Annual listing fee for the financial year 2014-15 paid to BSE Ltd.	
g. Stock Code		
	BSE Limited	521240
ISIN No. allotted by NSDL & CDSL	Equity Shares -Demat	INE304D0102

D Stock Market Data

Month	Rupees Share price	
	High	Low
April 2014	71.65	62.75
May 2014	80.00	61.00
June 2014	87.00	71.50
July 2014	102.00	77.00
Aug 2014	98.40	67.15
Sep 2014	102.00	80.00

Month	Rupees Share price	
	High	Low
Oct 2014	98.20	77.50
Nov 2014	91.50	75.15
Dec 2014	98.10	75.20
Jan 2015	99.00	65.10
Feb 2015	84.00	60.00
Mar 2015	75.00	46.70

E Registrar and Transfer Agents

M/s Cameo Corporate Services Limited, Subramanian Building, No.1 Club house Road, Chennai 600 002 deal with all aspects of investor servicing relating to shares in both physical and demat Form

F Distribution of Shareholding as on March 31, 2015

No. of Shares	Shareholders		No. of Shares	
	Number	%	Number	%
Upto 100	2728	74.9038	205246	4.8127
201-500	617	16.9412	162729	3.8158
501-1000	108	2.9654	82313	1.9301
1001-2000	57	1.5650	90785	2.1288
2001-5000	55	1.51	182735	4.2848
5001-10000	17	0.4667	130706	3.0649
10001 & above	60	1.6474	3410086	79.9626
Total	3642	100.00	42,64,600	100.00

Details of Shares

Shareholding Mode	No. of Shares	% to paid up Capital	No. of Holders
Physical	3,63,906	8.53	1,203
Electronic (Demat)			
NSDL	35,08,555	82.27	1,763
CDSL	3,92,139	9.20	676
Total	42,64,600	100.00	3,642

G Shareholding pattern as on March 31, 2015

Sl. No.	Category	No. of Holders	No. of Shares	% to Paid up Capital
1	Promoters	29	2099073	49.22
2	Residents (Individuals)	3525	1947527	45.67
3	Financial Institutions / Insurance Company / State Govt./Govt. Companies / UTI	1	76590	1.80
4	Foreign Institutional Investors	-	-	-
5	Non-Resident Indians / OCB / Corporate Bodies – Foreign / Bank – Foreign / Foreign Nationals/ Foreign Port Folio Investor – corporate	14	7450	0.17
6	Corporate Bodies / Limited Liability Partnership	70	133908	3.14
7	Mutual Funds	-	-	-
8	Trusts	-	-	-
9	Banks	-	-	-
10	Clearing Member	3	52	0.00
	TOTAL	3642	42,64,600	100.00

H Dematerialization of Shares and Liquidity

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialization form.

Status of dematerialization of shares – as on March 31, 2015

	Physical		Demat		Total	
Holder	No. of Shares	% to paid up capital	No. of Shares	% to Paid up capital	No. of Shares	% to paid up capital
Promoters	1,170	0.03	20,97,903	49.19	20,99,073	49.22
Others	3,62,736	8.51	18,02,791	42.27	21,65,527	50.78

The equity shares of the Company is regularly traded in BSE Limited.



I Plant Locations

Spinning mills

Unit – I Kamaraj Nagar Colony, Salem 636 014.Tamil Nadu.

Unit – II Ayeepalayam, Athanur 636 301, Namakkal District.Tamil Nadu.

Unit – III Kavarakalpatty, Seshanchavadi Post, Salem 636 111.Tamil Nadu.

Wind energy converters

Panangudi, Pazhavor and Parameshwarapuram villages,

Radhapuram Taluk, Tirunelveli District, Tamil Nadu.

Uthumalai Village, Veerakeralam Pudur Taluk, Tirunelveli District, Tamil Nadu.

Gudimangalam Village, Udumalpet Taluk, Coimbatore District, Tamil Nadu.

J Address for Correspondence

Registrar & Share Transfer Agents

Cameo Corporate Services Limited
Subramanian Building
No.1 Club Road, Chennai 600 002.
Phone : 044 - 28460390 (5 lines)
Fax : 044 – 28460129
e-mail – investor@cameoindia.com

For any other general matters
or in case of any difficulties

Secretarial Department
Sambandam Spinning Mills Limited
Mill Premises, Kamaraj Nagar Colony,
Salem 636 014
Phone : 0427 -2240790-94
Fax : 044 – 2240169
e-mail: corporate@sambandam.com

Website Address

www.sambandam.com

Email ID of Investor Grievances

cs@sambandam.com & corporate@sambandam.com

Name of the Compliance Officer

Sri R.S. Shanmugam, Company Secretary

Code of Conduct

Members of the Board and the Senior Management, shall

- a) Always act in good faith and in the best interest of the Company, its employees, the shareholders, the community and for the protection of the environment.
- b) Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with all matters relating to the Company.
- c) Apply themselves diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and the progress of the Company, and not be associated simultaneously with competing organizations either as Director or in any managerial or advisory capacity, without the prior approval of the board.
- d) Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company avoiding violations or non-conformities.
- e) Not derive personal benefit or undue advantage (financial or otherwise) by virtue of their position or relationship with the company and for this purpose
 - (i) Shall adopt total transparency in their dealings with the Company.
 - (ii) Shall disclose full details of any direct or indirect personal interests in dealings/transactions with the Company.
 - (iii) Shall not be party to transactions or decisions involving conflict between their personal interest and the Company's interest.
 - (iv) Shall not assign his/her office and any assignment so made shall be void.
- f) Conduct themselves and their activities outside the Company in such manner as not to adversely affect the image or reputation of the Company.
- g) Inform the Company immediately if there is any personal development (relating to his/her business/professional activities) which could be incompatible with the level and stature of his/her position and responsibility with the Company.
- h) Bring to the attention of the Board, Chairman or the Managing Director as appropriate, any information or development either within the Company (relating to its employees or other stakeholders) or external, which could impact the company operations and which in the normal course, may not have come to the knowledge of the Board or Chairman or Managing Director.



- i) Always abide by the above Code of Conduct, and shall be accountable to the Board for their actions/violations/defaults.

In addition to the above, an Independent Director on the Board of the Company shall:

1. Exercise his responsibilities in a bona fide manner in the interest of the Company;
2. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
3. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
4. Not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or disadvantage for any associated person;
5. Refrain from any action that would lead to loss of his independence;
6. Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
7. Assist the Company in implementing the best corporate governance practices.

Code of Conduct for the Senior Management

This is to confirm that for the financial year ended March 31, 2015 all the members of Senior Management have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

May 28, 2015
Salem

S. Devarajan
Chairman and Managing Director

REMUNERATION POLICY

Preamble

This Nomination and Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) formulated by the Nomination and Remuneration Committee (hereinafter called NRC or the Committee) has been approved by the Board of Directors of the Company.

1. OBJECTIVE

- 1.1. The Nomination and Remuneration Policy provides the framework for nomination and remuneration of members of the Board of Directors, KMP & SMP of the Company.
- 1.2. The Policy formalizes the existing Remuneration practices in the Company in compliance with the letter and spirit of corporate governance as envisaged by the changes in Company Law in recent times.
- 1.3. This Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 in respect of reasonableness and sufficiency of remuneration to attract talent and make provision for reward linked directly to the effort, performance, dedication and achievement relating to the Company's operations.

2 COMPOSITION, ROLE & FUNCTIONS OF THE COMMITTEE

- 2.1. Composition of the Committee :
The Committee shall comprise three independent directors and the senior most among them shall be Chairman of the Committee.
- 2.2. Role of the NRC generally include the following:
 - 2.2.1 To formulate criteria for determining qualifications, positive attributes and independence of a Director.
 - 2.2.2 To formulate criteria for evaluation of all the Directors and the board.
 - 2.2.3 To identify persons who are qualified to become Directors and who may be appointed in Senior Management position in accordance with the criteria laid down in this policy.
 - 2.2.4 To carry out evaluation of Director's performance.
 - 2.2.5 To recommend to the Board for appointment or removal of Directors, KMP and SMP.

- 2.2.6 To recommend to the Board policy relating to remuneration for Directors, KMP and SMP.
- 2.2.7 To devise a policy on Board diversity, composition and size.
- 2.3 Functions of the Committee :
- 2.3.1 The Committee shall carry out evaluation of performance of Directors, KMP and SMP yearly or at such intervals as considered necessary.
- 2.3.2 The Committee may recommend to the Board to retain any Director, KMP or SMP even after attaining the retirement age, for the benefit of the Company.
- 2.3.3 The Committee may recommend to the Board with reasons recorded in writing for removal of a Director, KMP or SMP subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.
- 2.3.4 Succession planning for replacing Key Executives and reviewing the plan.
- 2.3.5 Any other function as may be mandated by the Board and also enforced by any statutory notification, amendment or modification, as may be applicable from time to time and such other functions as may be considered necessary or appropriate for the performance of its duties.
- 3. FREQUENCY OF MEETINGS**
Meetings of the Committee shall be held at such intervals as may be required.
- 4. COMMITTEE MEMBERS' INTERESTS**
- 4.1 A member of the Committee shall not be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 4.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
- 5. SECRETARY**
Secretary of the Company shall act as the Secretary of the Committee.
- 6. VOTING**
- 6.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be the decision of the Committee.
- 6.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.
- 7. NOMINATION DUTIES**
Duties of the Committee in relation to nomination matters include:
- 7.1 Ensuring that there is an appropriate induction system in place for new Directors, KMP & SMP;
- 7.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided in the Act;
- 7.3 Identifying and recommending persons for appointing them in the vacancy caused by the resignation of a director, KMP or SMP.
- 7.4 Determining the appropriate size, diversity and composition of the Board;
- 7.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 7.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 7.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 7.8 Making recommendations to the Board concerning any matter relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service contract.
- 7.9 Delegating any of its powers to one or more members of the Committee;
- 7.10 Recommend necessary changes to the Board; and
- 7.11 Consider any other matters, as may be requested by the Board.

8. REMUNERATION DUTIES

Duties of the Committee in relation to remuneration matters include:

- 8.1 Consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate the members of the Board, KMP and SMP of the Company.
- 8.2 Approve the remuneration of the KMP or SMP of the Company maintaining a balance between fixed pay and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company.
- 8.3 Delegate any of its powers to one or more members of the Committee.
- 8.4 Consider any other matter as may be referred by the Board.
- 8.5 Professional indemnity and liability insurance for Directors, KMP and SMP of the Company.

9. General Reward Principles

- 9.1 Remuneration of Executive Directors
 - 9.1.1 Company's Remuneration Policy aims at providing a performance driven and market oriented framework for reward;
 - 9.1.2 Ensure that the Company attracts, retains and motivates high quality executive talent to achieve the Company's short-term and long-term goals, align the interests of employees, shareholders and other stakeholders in accordance with the Company's values and beliefs ;
- 9.2 Remuneration of Non-Executive Directors ('NEDs');
 - 9.2.1 'NEDs' are paid remuneration by way of Sitting Fees.
 - 9.2.2 Payment of Sitting Fees to NEDs is on the basis of their attendance at the Board Meeting, Audit Committee Meeting, and the Nomination and Remuneration Committee Meeting.
 - 9.2.3 Sitting fees payable to the NEDs for attending the Board Meeting and Committee meeting is fixed based on the practice prevailing among the Companies of similar size. While the sitting fees payable for attending the meetings of the Audit Committee is higher, the sitting fees payable for attending the meetings of the Nomination and Remuneration Committee is on a par with that of the Board meeting. However, there is no fee for attending the meetings of the other Committees such as Finance Committee, Stakeholders Relationship Committee, Share Transfer Committee and the 'CSR' Committee.
- 9.3 Remuneration to Key Management Personnel / Senior Executives
 - 9.3.1 Total compensation for Key Management Personnel / Senior Executives consists of:
 - a) fixed compensation
 - b) variable compensation in the form of annual incentive
 - c) benefits
 - d) work related facilities and perquisites
 - 9.3.2 Fixed compensation is determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation is in the form of Salary including all allowances.
 - 9.3.3 The Annual Incentive (Bonus) of senior executives is linked directly to the performance of the Mills and the Company through a Balanced Score Card in accordance with the Employees Incentive Scheme of the Company. The Balanced Score Card comprises goals under four perspectives – Financial, Customer, Internal Process and Learning and Growth Perspective. The objective is to reward current performance as reflected in the financial perspective as well as to focus on initiatives to secure the long term health of the Company as encapsulated in the other three Perspectives.
 - 9.3.4 Benefits for senior executives include:
 - 9.3.4.1 Health-Related:
 - 9.3.4.2 Health (hospitalization) insurance
 - 9.3.4.3 Accident and Life insurance
 - 9.3.4.4 Retirement-Related:
 - 9.3.4.5 Contribution to a Superannuation Fund (in addition to statutory benefits such as Provident Fund, Gratuity etc).



- 9.3.5 KMP & SMP are eligible for work related facilities and perquisites such as mobile phone, Company owned and maintained car, hard furniture, consumer durables, etc. Extent of these facilities are based on the Grade of the executive.
- 9.3.6 A formal annual performance management process is applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives are directly linked to the performance ratings of individual executives.
- 9.3.7 Overall compensation is subject to periodic reviews which take into account data from compensation surveys, as well as factors such as affordability based on the Company's performance and the economic environment.
- 9.3.8 Executives are eligible for severance payments in accordance with the termination clause in their employment agreement.

10 Adoption, Changes and Disclosure of Information

- 10.1 This Nomination and Remuneration Policy is approved by the Board of Directors based on the recommendation of the NRC.
- 10.2 The policy will be reviewed at such intervals as the Board or the NRC deems it necessary.
- 10.3 The Company's Annual report will include a summary of the Nomination and Remuneration Policy as well as a statement on compliance with this Policy.
- 10.4 Information on the total remuneration on an individual basis for members of the Company's Board of Directors and in the aggregate for Key Management Personnel and Senior Executives may be disclosed in the Company's Annual financial statements / Annual report, in the manner required under the relevant statutes.
- 10.5 The Nomination and Remuneration Policy is hosted on the website of the Company under the web link <http://www.corporate@sambandam.com>

To the Members of Sambandam Spinning Mills Limited

1. We have examined the compliance with the conditions of Corporate Governance by **Sambandam Spinning Mills Limited** (the Company) for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Salem

May 28, 2015

For M.S. Krishnaswami & Rajan
Chartered Accountants
Registration No: 01554S
R. Krishnen - Partner
Membership no.201133

Independent Auditors' Report

To the Members of Sambandam Spinning Mills Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Sambandam Spinning Mills Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring and accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M.S. Krishnaswami & Rajan
 Chartered Accountants
 Firm registration No.01554S
R. Krishnen-Partner
 Membership No.201133

Salem
 May 28, 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our report to members of Sambandam Spinning Mills Limited ("the Company") for the year ended March 31, 2015

1. In respect of its Fixed assets:

- (i) the company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (ii) the fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

2. In respect of its inventories:

(i) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(iii) In our opinion and according to the information and explanations given to us, the Company has generally maintained proper records of its inventories and no material discrepancies were noticed on such physical verification.

- 3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act 2013, and accordingly, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- 4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services, and during the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- 5. According to the information and explanations given to us, the Company has not accepted any deposits from public and in respect of the deposits accepted from shareholders, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the Companies (Acceptance of Deposit) Rules, 2014.
- 6. In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.



Annexure to the Independent Auditors' Report (contd.)

7. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
 - i) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities during the year.
 - (ii) There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (iii) There are no dues of Income tax, Wealth tax and Customs duty which have not been deposited on account of any dispute with the relevant authorities. Details of dues towards excise duty, service tax and sales tax and value added tax that have not been deposited as at March 31, 2015 on account of disputes are stated below: (Nature of dues, dues, period to which the amount relates, forum where dispute is pending) – Excise duty, Rs.84,65,342, Financial year 2001-02 to 2002-03, Customs, Excise and Service tax Appellate Tribunal; Service tax, Rs.8,05,696, Financial year 2004-05 to 2007-08, Customs, Excise and Service tax Appellate Tribunal; Sales tax, Rs.6,52,044, Financial year 1991-92, Deputy Commissioner of Commercial Taxes.
 - (iv) The amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under, have been transferred to such fund within time.
8. The company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
10. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
12. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on the Company or no fraud by the Company has been noticed or reported during the year.

Salem
May 28, 2015

For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm registration No.01554S
R. Krishnen-Partner
Membership No.201133

**Balance Sheet as at March 31, 2015**

<i>Particulars</i>	<i>Note No.</i>	<i>As at March 31, 2015</i>		<i>As at March 31, 2014</i>
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	1.1	4,27,55,000		4,27,55,000
Reserves and surplus	1.2	73,55,37,536		71,41,04,281
			77,82,92,536	75,68,59,281
Non-current liabilities				
Long-term borrowings	1.3	23,23,23,421		43,40,40,631
Deferred tax liabilities (Net)	1.4	32,11,64,373		30,61,78,107
Other long-term liabilities	1.5	26,49,000		21,99,000
Long-term provisions	1.6	1,99,01,606		1,91,43,537
			57,60,38,400	76,15,61,275
Current liabilities				
Short-term borrowings	1.7	51,10,23,088		42,77,31,731
Trade payables	1.8	27,01,46,812		34,52,45,208
Other current liabilities	1.9	22,59,01,175		26,45,80,662
Short-term provisions	1.10	113,31,009		1,08,29,238
			101,84,02,084	104,83,86,839
TOTAL			237,27,33,020	256,68,07,395
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	1.11	138,26,86,831		147,72,79,616
Intangible assets	1.12	—		—
Capital work-in-progress	1.11	—		—
		138,26,86,831		147,72,79,616
Non-current investments	1.13	1,97,10,272		1,67,10,272
Long-term loans and advances	1.14	20,98,29,997		17,72,28,531
			161,22,27,100	167,12,18,419
Current assets				
Inventories	1.15	34,42,19,848		53,42,77,200
Trade receivables	1.16	26,99,72,842		27,97,92,776
Cash and bank balances	1.17	8,38,70,164		3,09,19,709
Short-term loans and advances	1.18	2,79,97,865		2,46,48,927
Other current assets	1.19	3,44,45,201		2,59,50,364
			76,05,05,920	89,55,88,976
TOTAL			237,27,33,020	256,68,07,395

Significant Accounting Policies and Notes to the Financial
Statements are an integral part of this Balance Sheet

As per our report of even date
For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm Registration No. 015545
R. Krishnen-Partner
Membership No. 201133
Salem
May 28, 2015

For and on behalf of the board
S. Dinakaran
Joint Managing Director
DIN : 00001932
D. Niranjan kumar
Chief Financial Officer
S. Devarajan
Chairman and Managing Director
DIN : 00001910
R.S. Shanmugam
Company Secretary

**Statement of Profit and Loss for the year ended March 31, 2015**

<i>Particulars</i>	<i>Note No.</i>	<i>For the year ended March 31, 2015</i>		<i>For the year ended March 31, 2014</i>
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Income				
Revenue from operations	2.1	242,32,71,241		255,95,70,546
Other income	2.2	86,96,234		52,15,354
Total Revenue			243,19,67,475	256,47,85,900
Expenses				
Cost of materials consumed	2.3	137,47,44,701		152,18,78,148
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.4	6,50,10,555		-6,30,79,991
		143,97,55,256		145,87,98,157
Employee benefits expense	2.5	24,57,83,112		22,89,67,877
Finance cost	2.6	11,73,94,366		13,57,34,211
Depreciation and amortization expense	2.7	10,85,17,522		11,13,67,826
Other expenses	2.8	46,96,75,904		48,91,77,375
Total Expenses			238,11,26,160	242,40,45,446
Profit before exceptional items and tax			5,08,41,315	14,07,40,454
Exceptional item	2.9		—	45,29,000
Profit before tax			5,08,41,315	13,62,11,454
Tax expense:				
Current tax		—		—
Deferred tax		1,63,00,000		4,25,00,000
			1,63,00,000	4,25,00,000
Profit for the year after tax from continuing operations			3,45,41,315	9,37,11,454
Earnings per Equity share (Face value Rs.10)				
Basic and Diluted (in Rs.)			8.10	21.97

Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss

As per our report of even date
For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm Registration No. 015545
R. Krishnen-Partner
Membership No. 201133
Salem
May 28, 2015

For and on behalf of the board
S. Dinakaran
Joint Managing Director
DIN : 00001932

D. Niranjan kumar
Chief Financial Officer

S. Devarajan
Chairman and Managing Director
DIN : 00001910

R.S. Shanmugam
Company Secretary

Cash Flow Statement for the year ended March 31, 2015

	As at March 31 2015 Rupees	As at March 31 2014 Rupees
1. Cash flows from operating activities		
1.1 Profit before tax and exceptional item	5,08,41,315	13,62,11,454
1.2 Adjustment for		
Depreciation and amortisation	10,85,17,522	11,13,67,826
Amortisation of cost of structures on leasehold land	4,88,042	3,25,398
Amount considered under investing activities		
(Profit)/Loss on disposal of assets	59,320	(3,48,712)
Income from investments	5,320	59,070
Amount considered under financing activities		
Interest paid	11,30,26,313	11,83,08,875
Interest received	-72,21,712	(46,97,062)
Provision for diminution in value of long term investments	—	45,29,000
1.3 Operating profit before working capital changes	26,57,16,120	36,57,55,849
1.4 Adjustment for changes in		
Increase / (Decrease) in trade payables	-7,50,98,396	14,37,40,175
Increase / (Decrease) in long term provisions	7,58,069	5,65,400
Increase / (Decrease) in long term liabilities	4,50,000	
Increase / (Decrease) in short term provisions	2,05,160	1,56,080
Increase / (Decrease) in other current liabilities	-17,27,702	59,66,618
Decrease / (Increase) in trade receivables	98,19,934	(7,52,18,194)
Decrease / (Increase) in inventories	19,00,57,352	(20,09,37,709)
Decrease / (Increase) in long term advances	-2,00,97,543	(1,30,69,283)
Decrease / (Increase) in short term advances	-33,48,938	(98,88,942)
Decrease / (Increase) in other current assets	-49,28,495	(55,83,892)
1.5 Cash generated from operating activities	36,18,05,561	21,14,86,102
1.6 Income tax paid/(rufunded)	-1,29,50,472	(2,70,77,151)
Net cash flow from operating activities [A]	34,88,55,089	18,44,08,951

**Cash Flow Statement for the year ended March 31, 2015 (Contd...)**

	As at March 31 2015 Rupees	As at March 31 2014 Rupees
2. Cash flows from investing activities		
2.1 Payments for acquisition of assets	-1,83,24,390	(2,05,93,010)
2.2 Proceeds from sale of tangible assets	1,52,395	3,83,809
2.3 Investment in equity shares	-30,00,000	(2,04,000)
2.4 Interest received	72,21,712	46,97,062
2.5 Dividend received	-5,320	(59,070)
Net cash flow used in investing activities [B]	-1,39,55,603	(1,57,75,209)
3. Cash flow from financing activities		
3.1 Proceeds from long term borrowings	—	57,92,000
3.2 Repayments of long term borrowings	-23,86,68,995	(18,98,05,414)
3.3 Proceeds from short term borrowings	24,33,68,370	23,73,79,402
3.4 Repayments of short term borrowings	-24,43,52,511	(28,63,76,138)
3.5 Changes in cash credit facilities	8,42,75,498	15,22,03,825
3.6 Interest paid - Net	-11,30,26,313	(11,83,08,875)
3.7 Dividend paid on equity shares	-85,29,200	—
3.8 Dividend Tax paid on equity dividend paid	-14,49,538	—
Net cash flow from financing activities [C]	-27,83,82,689	(19,91,15,200)
Net cash inflow / (outflow) [A+B+C]	5,65,16,797	(3,04,81,458)
Opening cash and cash equivalents	96,89,743	4,01,71,201
Closing cash and cash equivalents	6,62,06,540	96,89,743
Net increase / (decrease) in cash and cash equivalents	5,65,16,797	(3,04,81,458)

Notes to the cash flow statement

Components of cash and cash equivalents:

Cash and bank balances excluding those relating to unclaimed dividend
and earmarked deposits held as margin money

6,62,06,540 **96,89,743**

Significant Accounting Policies

See accompanying notes forming part of the financial statements

As per our report of even date
For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm Registration No. 01554S
R. Krishnen-Partner
Membership No. 201133
Salem
May 28, 2015

For and on behalf of the board
S. Dinakaran
Joint Managing Director
DIN : 00001932

D. Niranjana kumar
Chief Financial Officer

S. Devarajan
Chairman and Managing Director
DIN : 00001910

R.S. Shanmugam
Company Secretary

Statement on Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2015

1. Basis of preparation of financial statements - The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except in so far as they relate to revaluation of net assets. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the revised schedule II to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2. Use of estimates – The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/materialise.
3. Revenue recognition – Revenue from sale of products is recognized on despatch of goods to customers in accordance with the terms of sales. Revenue from services is recognized in accordance with the specific terms of contract on performance. Other operating revenues comprise of income from ancillary activities incidental to the operations of the company and is recognized when the right to receive the income is established as per the terms of the contract.
4. Other Income – Interest and rental income are accounted on accrual basis. Dividend income is accounted when the right to receive is established.
5. Foreign currency transactions – Foreign currency transactions (including booking/cancellation of forward contracts) are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency, other than those covered by forward exchange contracts, are translated at year end foreign exchange rates. Exchange differences arising on settlements are recognized in the Statement of Profit and Loss. In case of forward exchange contracts which are entered into hedge the foreign currency risk of a receivable/payable recognized in these financial statements, premium or discount on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Statement of Profit and loss. Forward exchange contracts which are arranged to hedge the foreign currency risk of a firm commitment is marked to market at the year end and the resulting losses, if any, are charged to the Statement of Profit and loss.

Statement on Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2015 (contd.)

6. Employee benefits – (i) Short term employee benefit obligations are estimated and provided for; (ii) Post employment benefits and other long term employee benefits – (1) Company's contribution to provident fund, labour welfare fund, employees state insurance corporation and other funds are determined under the relevant schemes and /or statute and charged to revenue; (2) Company's liability towards gratuity and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in revenue.
7. Fixed Assets – Tangible fixed assets - All costs relating to acquisition of fixed assets net of value added tax and terminal excise duty refund under Export Promotion Capital Goods Scheme, subject to the economic life and the cost being in excess of certain limits, are capitalised. Expenditure directly related and incidental to construction are capitalized upto the date of attainment of commercial production. Interest and other related costs, including amortised cost of borrowings attributable only to major projects are capitalized as part of the cost of the respective assets. In the case of Wind energy converters, cost of land on which the converters have been erected is capitalised as cost of the said converters. Cost of structures on leasehold land, where the estimated useful life is more than ten years, is capitalized. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- Intangible fixed assets – Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebate.
8. Depreciation/amortization – Tangible fixed assets - Depreciation on fixed assets is provided on straight line basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used:

Particulars	Depreciation
Plant and machinery (Continuous process Plant)	Over its useful life of 18 years as Technically assessed
Wind energy convertors	Over its useful life of 17 years as Technically assessed

Intangible fixed assets – (i) Computer software - over a period of 5 years;
(ii) Trade name – - over a period of 5 years.

9. Impairment of assets – The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised in the Statement of Profit and Loss wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Provision for impairment will be reviewed periodically and amended depending on changes in circumstances.
10. Investments – Non-current investments are stated at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investment, if any. Current investments are valued at lower of cost and fair value.

Statement on Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2015 (contd.)

11. Inventories – The governing principle of valuation of Inventories (other than process waste) is the lower of cost and net realisable value. The cost for the said purpose (i) in the case of stores and spare parts, is the weighted average cost (net of Cenvat credit/value added tax, if any), (ii) in the case of cotton in process and manufactured yarn, is the cost adopting the absorption costing method, and (iii) is without deduction of the adjustment made for power generated through Wind energy converters and adjusted against the cost of power purchased from state electricity board. Process waste is valued at net realizable value. Provision is made for obsolete, slow moving and damaged items of inventory, if any.
12. Government grants – Capital grants from government relating to depreciable assets are treated as deferred income and disclosed as a capital reserve and amortised over the useful life of the concerned asset. Cenvat credit relating to capital assets acquired is treated as capital reserve and amortised over the useful life of the concerned assets by transfer profit and loss account and considered under depreciation. Grants/incentives other than those mentioned above are reckoned in the profit and loss account in the year of eligibility.
13. Borrowing costs - Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.
14. Research and development – Revenue expenditure on research and development is charged to the profit and loss account as incurred. Capital expenditure on research and development, where the same represents cost of plant, machinery, equipment and other tangible assets, if any, is given the same accounting treatment as applicable to other capital expenditure.
15. Deferred tax - Deferred income tax charge reflects the impact of the current period timing differences between taxable income and accounting income, other than differences capable of getting reversed during the 'tax holiday' period, subject to consideration of prudence. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case laws to reassess realisation/liabilities.
16. Provisions and contingencies - To recognise a provision when (i) the company has a present obligation as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation that may, but probably will not, require outflow of resources. Where there is possible obligation or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**Notes annexed to and forming part of the Financial Statements**

	<i>As at March 31, 2015</i>	<i>As at March 31, 2014</i>
	<i>Rupees</i>	<i>Rupees</i>
1.1 Share Capital		
Authorised		
50,00,000 (2014 : 50,00,000) Equity shares of Rs.10 each with voting Rights	5,00,00,000	5,00,00,000
Issued		
42,86,400 (2014 : 42,86,400) Equity shares of Rs.10 each with voting Rights	4,28,64,000	4,28,64,000
Subscribed and Paid up		
42,64,600 (2014 : 42,64,600) Equity shares of Rs.10 each fully paid with voting Rights	4,26,46,000	4,26,46,000
Add Forfeited shares (amount originally paid up in respect of 21,800 equity shares)	1,09,000	1,09,000
	4,27,55,000	4,27,55,000

Notes :**1. Reconciliation of Number of Shares**

Equity shares with voting rights

Shares outstanding as at April 1, 2014/April 1, 2013 **42,64,600** 42,64,600Shares outstanding as at March 31, 2015/March 31, 2014 **42,64,600** 42,64,600**2. Shareholders holding more than 5% of the total share capital:**

Equity shares with voting rights

	2015		2014	
Name of the shareholder	No. of shares	%	No. of shares	%
S. Jegarajan	4,40,846	10.34	4,40,846	10.34
S. Devarajan	3,88,674	9.11	3,88,674	9.11
S. Dinakaran	3,59,879	8.44	3,59,879	8.44
A.G. Venkatesan	1,15,283	2.70	2,51,785	5.90

3. Rights and restrictions in respect of equity shares

The company has one class of equity shares having a par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the even of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

	<i>As at March 31, 2015</i>	<i>As at March 31, 2014</i>
	<i>Rupees</i>	<i>Rupees</i>
1.2 Reserves and Surplus		
a) Securities Premium as at the beginning and end of the year	5,39,09,064	5,39,09,064
b) Revaluation Reserve		
As at the beginning of the year	28,13,94,412	28,51,58,813
Transfer to General Reserve		
(refer note no.3.10 to the Financial Statem	35,33,337	37,64,401
As at the end of the year	27,78,61,075	28,13,94,412
c) Cenvat credit relating to capital assets		
As at the beginning of the year	2,69,722	6,81,907
Transfer to Statement of Profit and Loss	2,69,722	4,12,185
As at the end of the year	—	2,69,722

**Notes annexed to and forming part of the Financial Statements (Contd.)**

	<i>As at March 31, 2015</i>	<i>As at March 31, 2014</i>
	<i>Rupees</i>	<i>Rupees</i>
d) General Reserve		
As at the beginning of the year	37,00,00,000	34,00,00,000
Transfer from Revaluation Reserve (refer note no.3.10 to the Financial Statements)	35,33,337	
Transfer from Statement of Profit and Loss	1,94,66,663	3,00,00,000
As at the end of the year	39,30,00,000	37,00,00,000
e) Surplus/(Deficit) - balance in Statement of Profit and Loss		
As at the beginning of the year	85,31,083	(4,52,01,633)
Add Current year profit	3,45,41,315	9,37,11,454
Less Appropriations		
Adjustment relating to Fixed Assets (refer note no.3.11 to the Financial Statements)	25,62,989	
Proposed equity dividend	85,29,200	85,29,200
Tax on proposed equity dividend	17,46,149	14,49,538
Transfer to General Reserve	1,94,66,663	3,00,00,000
As at the end of the year	1,07,67,397	85,31,083
	73,55,37,536	71,41,04,281
1.3 Long term borrowings		
Secured - Term loans from banks	21,10,18,421	40,72,25,631
Unsecured - Fixed deposits	2,13,05,000	2,68,15,000
	23,23,23,421	43,40,40,631
Notes :		
i) Refer note no.3.21 to the Financial Statements for the terms the loans		
ii) Fixed deposits includes deposits from directors Rs.43,50,000 (2014 : Rs.13,15,000)		
1.4 Deferred tax liabilities (net)		
Deferred tax liabilities		
- Timing differences on account of depreciation	32,77,75,189	31,25,37,111
Deferred tax assets		
- Provision for employees benefit	66,10,816	63,59,004
	32,11,64,373	30,61,78,107
1.5 Other long term liabilities		
Security deposits		
- from related parties (refer note 3.8 to the Financial Statements)	4,50,000	—
- from others	21,99,000	21,99,000
	26,49,000	21,99,000
1.6 Long term provisions		
Provision for employee benefits		
Compensated absences	1,99,01,606	1,91,43,537
	1,99,01,606	1,91,43,537
1.7 Short term borrowings		
Secured from banks		
Cash credit facilities	47,85,23,088	39,42,47,590
Short term loan	3,25,00,000	3,34,84,141
	51,10,23,088	42,77,31,731
Notes :		
Refer note no.3.21 to the Financial Statements for the terms the loans		

**Notes annexed to and forming part of the Financial Statements (Contd.)**

	As at March 31, 2015	As at March 31, 2014
	<i>Rupees</i>	<i>Rupees</i>
1.8 Trade payables		
Micro, Small and Medium enterprises	34,829	47,838
Other trade payables	27,01,11,983	34,51,97,370
	<u>27,01,46,812</u>	<u>34,52,45,208</u>
1.9 Other current liabilities		
Current maturities of Long term debts	19,87,36,507	23,56,88,292
Interest accrued but not due on borrowings	4,39,571	3,68,654
Interest accrued and due on borrowings	46,29,866	1,09,68,214
Unclaimed dividends	7,28,616	9,49,164
Other payables	2,13,66,615	1,66,06,338
	<u>22,59,01,175</u>	<u>26,45,80,662</u>
Notes :		
i) Refer note no.3.21 to the Financial Statements for terms of current maturities of long term debts		
ii) Other payables include :		
- contribution payable to Gratuity Fund	56,58,561	40,68,155
- advance from customers	1,19,87,280	77,12,811
- income tax (TDS) payable	3,83,860	27,56,695
- sales tax payable	1,89,529	52,96,842
1.10 Short term provisions		
Provision for employee benefits		
Compensated absences	10,55,660	8,50,500
Other provision		
Proposed dividend	85,29,200	85,29,200
Tax on proposed dividend	17,46,149	14,49,538
	<u>1,13,31,009</u>	<u>1,08,29,238</u>
1.11 Ref. Page No. 70		
1.12 Ref. Page No. 70		
1.13 Non-Current Investments		
Non-Trade Investments		
Investments in Equity instruments		
i) Associates		
19,90,000 (2014 : 19,90,000) Equity shares of Rs.10 each in SPMM Health Care Services Private Limited	1,99,00,000	1,99,00,000
3,00,000 (2014 : Nil) Equity shares of Rs.10 each in Salem IVF Centre Private Limited	30,00,000	—
ii) Others		
1,330 (2014 : 1,330) Equity shares of Rs.10 each in Karnataka Bank Limited #	60,272	60,272
1,07,500 (2014 : 1,07,500) Equity shares of Rs.10 each in Sambandam Investment and Leasing Limited	10,75,000	10,75,000
1,500 (2014 : 1,500) Equity shares of Rs.10 each in Suryadev Alloys and Power Private Limited	2,04,000	2,04,000
	<u>2,42,39,272</u>	<u>2,12,39,272</u>
Less Provision for diminution in value towards SPMM Health Care Services Private Limited	45,29,000	45,29,000
	<u>1,97,10,272</u>	<u>1,67,10,272</u>
Notes :		
i) All investments are fully paid-up		
ii) Quoted investments (#) - Cost	60,272	60,272
- Market value	1,65,785	1,55,943
iii) Unquoted investments - Cost	2,41,79,000	2,11,79,000



Notes annexed to and forming part of the Financial Statements (Contd...)

1.1.1 Tangible assets and Capital work in progress

Description	Gross block (Cost/valuation)			Depreciation /amortisation/ impairment					NET BLOCK		
	As on 01.04.2014	Additions	Deductions	As on 31.03.2015	Upto 31.03.2014	Charge during the year	Deductions/ Adjustments	Transitional difference of depreciation	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
Land - freehold Buildings Structures on lease hold land Plant and machinery Wind energy converters Furniture and fittings Vehicles Office Equipment Live stock	23,25,01,000	—	—	23,25,01,000	—	—	—	—	—	23,25,01,000	23,25,01,000
	45,56,63,449	65,05,677	—	46,21,69,126	12,04,79,257	1,33,65,134	—	—	1338,44,391	32,83,24,735	33,51,84,192
	32,53,863	—	—	32,53,863	26,03,128	4,88,042	—	1,62,693	32,53,863	—	6,50,735
	159,53,61,832	72,14,708	—	160,25,76,540	93,00,36,706	649,48,767	—	24,42,474	9974,27,947	60,51,48,593	66,53,25,126
	60,46,63,900	—	—	60,46,63,900	37,78,77,097	270,73,898	—	—	4049,50,995	19,97,12,905	22,67,86,803
	22,87,627	—	—	22,87,627	13,32,795	4,11,459	—	47,917	17,92,171	4,95,456	9,54,832
	2,64,53,549	29,67,290	11,98,406	2,82,22,433	117,12,223	24,87,704	9,86,691	6,33,907	138,47,143	1,43,75,290	1,47,41,326
	70,20,177	20,83,264	—	91,03,441	59,16,815	5,00,282	—	5,89,732	70,06,829	20,96,612	11,03,362
	32,240	—	—	32,240	—	—	—	—	—	32,240	32,240
SUB TOTAL	292,72,37,637	1,87,70,939	11,98,406	294,48,10,170	144,99,58,021	10,92,75,286	986,691	38,76,723	156,21,23,339	138,26,86,831	147,72,79,616
Less :											
Transfer from Revaluation Reserve pertaining to Building	—	—	—	—	—	—	—	—	—	—	—
Amount considered in Note no.3.14 to the Financial statements	—	—	—	—	—	4,88,042	—	—	—	—	—
Amount considered in Note no.3.16 to the Financial statements	—	—	—	—	—	2,69,722	—	—	—	—	—
TOTAL	292,72,37,637	1,87,70,939	11,98,406	294,48,10,170	144,99,58,021	10,85,17,522	986,691	—	156,21,23,339	138,26,86,831	147,72,79,616
Previous year	290,59,41,452	2,32,48,562	19,52,377	292,72,37,637	133,90,79,696	10,82,93,622	1917,280	—	144,99,58,021	147,72,79,616	156,68,61,756
Capital work in progress											
Previous year											

Notes :

- i) Gross block includes Rs.33,31,48,842 added on revaluation of land and buildings as at March 31, 2009 based on report by an external valuer.
 ii) Borrowing cost capitalised - Rs. Nil (2014 Rs. Nil)

1.1.2 Non-Current assets - Intangible assets and Capital work in progress

Description	Gross block (Cost/valuation)			Depreciation/amortisation/impairment					NET BLOCK	
	As on 01.04.2014	Additions	Disposals	As on 31.03.2015	Upto 31.03.2014	Charge during the year	Disposals /Adjustments	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
Computer software										
	1,67,68,414	—	—	1,67,68,414	1,67,68,414	—	—	1,67,68,414	—	—
	Others									
- trade name	1,35,45,000	—	—	1,35,45,000	1,35,45,000	—	—	1,35,45,000	—	—
TOTAL	3,03,13,414	—	—	3,03,13,414	3,03,13,414	—	—	3,03,13,414	—	—
Previous year	3,03,13,414	—	—	3,03,13,414	2,72,39,210	30,74,204	—	3,03,13,414	—	30,74,204
Capital work in progress										
Previous year										

Notes :

- i) Borrowing cost capitalised - Rs. Nil (2014 Rs. Nil)

Notes annexed to and forming part of the Financial Statements (Contd.)

	As at March 31, 2015	As at March 31, 2014
	<i>Rupees</i>	<i>Rupees</i>
1.14 Long term Loans and advances		
Unsecured, considered good		
Capital advances	1,67,23,548	1,71,70,097
Security deposits		
- with related parties (refer note 3.8 to the Financial Statements)	3,00,000	—
- with others	5,08,86,315	3,10,23,775
Other loans and advances		
- employee advances	8,18,981	8,83,978
- Sales tax, ESI and others paid under protest	2,34,97,252	2,34,97,252
- Advance income tax (net of provisions)	28,43,282	48,92,810
- MAT credit entitlement	11,47,60,619	9,97,60,619
	20,98,29,997	17,72,28,531
1.15 Inventories		
Raw materials - Cotton	20,88,53,711	33,05,36,115
Work-in-progress - Cotton in process	4,68,17,144	7,91,12,051
Finished goods - Yarn	8,01,89,487	11,41,53,306
- Process waste	29,32,551	16,84,380
Stores and spares	54,26,955	87,91,348
	34,42,19,848	53,42,77,200
1.16 Trade receivables		
Unsecured, considered good		
Trade receivables - Outstanding for morethan six months from the date they are due for payment	76,62,122	1,64,937
Others	26,23,10,720	27,96,27,839
	26,99,72,842	27,97,92,776
1.17 Cash and cash equivalents		
(i) Cash and cash equivalents		
Balances with banks in - Current account	5,62,70,546	55,52,146
Cash on hand	99,35,994	41,37,597
	6,62,06,540	96,89,743
(ii) Other bank balances		
Earmarked balances with Banks - Unclaimed dividend accounts	7,28,616	9,49,164
- Liquid Asset deposits	8,16,852	48,16,852
Deposits with Banks held as margin money under Companies (Acceptance of Deposits) Rules, 1975	1,61,18,156	1,54,63,950
Of the above, Bank deposits with morethan 12 months maturities Rs.49,80,300 (2014 Rs.1,56,80,802)	8,38,70,164	3,09,19,709
1.18 Short-term loans and advances		
Unsecured, considered good		
Material advances	96,63,723	12,07,648
Employee advances	8,15,475	9,16,259
Other receivables	1,75,18,667	2,25,25,020
	2,79,97,865	2,46,48,927
Of the above,		
Other receivables include :		
- VAT credit	13,70,157	14,78,737
- Prepaid expenses	1,11,82,466	79,87,748
- Sales tax advance payment	—	1,04,07,671
1.19 Other current assets		
Interest accrued on deposits	14,98,924	10,74,382
Interest subsidy receivable	3,25,50,896	2,37,45,998
Export incentive receivable	3,95,381	11,29,984
	3,44,45,201	2,59,50,364

Notes annexed to and forming part of the Financial Statements (Contd.)

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
2.1 Revenue from operations		
Sale of products		
Yarn	232,80,47,002	242,39,30,515
Process waste	7,81,34,962	11,63,91,101
	240,61,81,964	254,03,21,616
Revenue from services		
Yarn testing charges	15,41,004	12,63,414
Yarn conversion charges	—	2,54,861
Other operating revenues		
Power generated by wind energy converters (net of captive consumption)	1,20,43,429	1,35,65,349
Scrap sales	22,38,752	18,17,156
Export incentives	14,38,772	23,48,150
	242,34,43,921	255,95,70,546
Less Trade rebate and discounts	1,72,680	—
	242,32,71,241	255,95,70,546
2.2 Other income		
Interest income from		
Security deposits and bank deposits	72,21,712	45,43,763
Others	—	1,53,299
Dividend income from Non-current investments	5,320	59,070
Other non-operating income		
Profit on sale of assets	—	3,48,712
Rent received	4,50,000	
Net gain on foreign currency transactions and translations	10,19,202	1,10,510
	86,96,234	52,15,354
2.3 Cost of materials consumed		
Cotton	136,58,59,289	150,73,84,660
Others	88,85,412	1,44,93,488
	137,47,44,701	152,18,78,148
Of the above		
Imported items - Amount	21,70,62,537	17,15,25,400
- Percentage	15.79	11.27
Indigenous items - Amount	115,76,82,164	135,03,52,748
- Percentage	84.21	88.73
2.4 Changes in Inventories of finished goods and work-in-progress		
Work-in-progress	3,22,94,907	-27,25,616
Finished goods	3,27,15,648	-6,03,54,375
Net change in inventories	6,50,10,555	-6,30,79,991
2.5 Employee benefits expense		
Salaries, wages and bonus	22,52,08,085	20,85,22,995
Contribution to provident, gratuity and other funds	92,77,003	1,09,03,043
Welfare expenses	1,12,98,024	95,41,839
	24,57,83,112	22,89,67,877

**Notes annexed to and forming part of the Financial Statements (Contd.)**

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
2.6 Finance costs		
Interest	11,30,26,313	11,83,08,875
Other borrowing costs	43,68,053	1,74,25,336
	11,73,94,366	13,57,34,211
Other borrowing costs include amortisation on :		
Premium on forward contracts	43,68,053	1,74,25,336
2.7 Depreciation and amortisation expenses		
Tangible assets		
Buildings	1,33,65,134	1,43,57,973
Plant and machinery	6,46,79,045	6,34,25,880
Wind energy converters	2,70,73,898	3,13,98,127
Furniture and fittings	4,11,459	4,09,114
Office equipments	5,00,282	3,02,392
Vehicles	24,87,704	21,64,537
	10,85,17,522	11,20,58,023
Less Transfer from revaluation reserve	—	37,64,401
Total depreciation on tangible assets (A)	10,85,17,522	10,82,93,622
Intangible assets		
Computer software - acquired	—	30,74,204
	—	30,74,204
Total depreciation on intangible assets (B)	—	30,74,204
Grand total (A + B)	10,85,17,522	11,13,67,826
2.8 Other expenses		
Conversion charges	1,42,24,268	1,53,08,562
Consumption of stores and spares	5,32,89,663	3,84,95,196
Power and fuel-net	28,60,94,899	29,94,98,270
Rent	4,15,560	3,67,170
Repairs and maintenance - Buildings	22,62,353	31,90,954
- Plant and machinery	2,46,94,298	2,79,97,574
Insurance	15,71,274	19,37,915
Rates and taxes	11,67,398	12,76,961
Packing and forwarding chages	2,30,72,840	2,57,39,758
Printing and stationery	8,64,355	6,84,053
Brokerage and commission on sales	2,20,08,718	2,21,10,684
Travel and vehicle upkeep expenses	1,47,71,931	1,73,30,806
Donation and charity	61,700	62,58,104
Premium on hank yarn obligation charges	42,61,323	37,08,756
Directors' sitting fees	12,10,000	5,90,000
Expenditure on corporate social responsibility	2,80,000	—
Loss on sale of assets	59,320	—
Bank and other financial charges	1,21,53,889	155,93,111
Miscellaneous expenses	72,12,115	90,89,501
	46,96,75,904	48,91,77,375
2.9 Exceptional item		
Diminution in value of long term investment		
- SPMM Health Care Services Private Limited	—	45,29,000
	—	45,29,000



3. Notes annexed to and forming part of the Financial Statements (Contd...)

	For the Year ended	
	March 31, 2015	March 31, 2014
3.1 Information regarding Imports (c.i.f)		
Rawmaterials	21,70,62,537	17,15,25,400
Machineryspares	79,73,266	49,64,266
3.2 Foreign currency transactions and other financial information		
(i) Expenditure in foreign currency		
Interest	7,66,120	10,28,242
Travel	8,43,387	6,81,340
Others	6,98,183	1,94,448
(ii) Earnings in foreign currency		
Export of goods (FOB value)	5,30,06,867	5,99,62,845
Others (freight recoveries)	3,31,758	2,77,740
(iii) Remittance of dividend to Non-Resident Shareholders	--	--
3.3 Auditor's remuneration		
(included under Miscellaneous expenses refer Note 2.8 to the Financial statements)		
(i) For financial audit	4,25,000	4,25,000
(ii) For cost audit	1,00,000	1,00,000
(iii) For taxation matters	1,25,000	1,25,000
(iv) For other services	1,98,000	1,98,000
(v) For reimbursement of expenses	1,33,239	1,33,239
3.4 Contingent liabilities		
(i) Claims against the company not acknowledged as debts	4,59,05,014	4,59,05,014
(ii) Guarantees	96,66,200	96,66,200
(iii) Bills discounted with banks	--	--
Out flow relating to above not practicable to indicate in view uncertainties involved		
3.5 Capital commitments not provided for (net of advances)	9,12,65,008	9,58,77,148
3.6 Earnings per share		
Profit after taxation as per Statement of Profit and Loss (A)	3,45,41,315	9,37,11,454
Number of equity shares outstanding (B)	42,64,600	42,64,600
Basic and Diluted earnings per share (in Rupees) (A/B)	8.10	21.97

3.7 Segment information

The company's primary segment is identified as business segment based on nature of products, risks, return and the internal business reporting system (i.e. cotton yarn) and operates in a single geographical segment as per Accounting Standard 17.

3.8 Related party disclosure

(i) Related parties with whom transactions have taken place during the year

(1) Key managerial personnel

Sri S. Devarajan – Chairman and Managing Director

Sri R.S. Shanmugam – Company Secretary

Sri D. Niranjankumar – Chief Financial Officer



- (2) Relatives of Key managerial personnel
Smt D. Anubama
Sri J. Sakthivel – Chief Technical Officer
- (3) Associate
SPMM Healthcare Services Private Limited
Salem IVF Centre Private Limited
- (4) Parties where significant influence exists
Sambandam Siva Textiles Private Limited
S. Palaniandi Mudaliar Charitable Trust
Sambandam Spinning Mills Gratuity Trust

		For the Year ended	
		March 31, 2015	March 31, 2014
(ii) Transactions with related parties			
(1) Key managerial personnel			
Sri S. Devarajan			
- Interest payment	35,750	35,750	
- Dividend payment	777,348	--	
- Remuneration	36,00,000	36,00,000	
- Outstanding balances under Fixed deposits	3,25,000	3,57,175	
Sri D. Niranjana Kumar			
- Remuneration	18,00,000	67,500	
Sri R. S. Shanmugam			
- Remuneration	6,50,000	5,85,000	
(2) Relative of Key managerial personnel			
Smt D. Anubama			
-Rent paid	60,000	--	
-Rent advance paid	3,00,000	--	
-Amount outstanding at the end of the year	3,00,000	--	
(3) Associate			
-Salem IVF Centre Private Limited			
-Rent received	4,50,000	--	
-Rental advance received	4,50,000	--	
-Rent advance outstanding at end of the year	4,50,000	--	
-Rent receivable at the end of the year	1,08,000	--	
(4) Parties where significant influence exists			
Sambandam Siva Textiles Private Limited			
-Sale of wind power	1,20,43,429	1,35,65,349	
- Outstanding balances at end of the year	--	--	
S. Palaniandi Mudaliar Charitable trust			
-Payments for employee welfare services	14,14,765	7,07,183	
-Contribution paid	--	60,00,000	
Sambandam Spinning Mills Gratuity trust			
-Contribution paid/payable	15,90,406	40,68,155	

3.9 The net assets of the company were revalued as on March 31, 2009 by an external valuer on the basis of (i) estimated market value in the case of land and (ii) estimated depreciated replacement cost in the case of buildings and (iii) estimated amounts realizable/payable in the case other assets and liabilities. The resulting net surplus on such revaluation aggregating Rs.30,02,16,417 has been credited to revaluation reserve.

- 3.10** Pursuant to the enactment of Companies Act, 2013 and according to the application guide on the provisions of Schedule II to the Companies Act, 2013, a sum of Rs.35,33,337, being the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost, has been transferred to General Reserve from Revaluation Reserve account.
- 3.11** Pursuant to the enactment of Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation/Amortization. Accordingly the unamortized carrying value is being depreciated/amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at April 1, 2014 have been adjusted net of tax, in the opening balance of profit and loss account amounting to Rs.25,62,989.
- 3.12** The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no overdues to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made; and (ii) There are no amounts remaining unpaid or unclaimed for a period of seven years in respect of unpaid dividend, matured fixed deposits and interest thereon from the date they became payable by the company and hence there are no amounts remaining to be credited to the Investor Education and Protection Fund.
- 3.13** Derivatives - The company uses derivative financial instruments such as forward contracts and option to hedge certain currency exposures, present and anticipated, denominated mostly in US dollars, Euro and Swiss Franks. Generally such contracts are taken for exposures materializing in the next six months. The company actively manages its currency rate exposures and uses these derivatives to mitigate the risk from such exposures. The company has hedged exposure of US \$ Nil (March 31, 2014 US \$ Nil) as at March 31, 2015 and has a net unhedged exposure of US \$ Nil (March 31, 2014 US\$ Nil) as at March 31, 2015.
- 3.14** Raw material consumed – others include consumption of yarn for manufacture of double yarn.
- 3.15** Power and fuel is net of value of power generated by Wind energy converters Rs.10,59,11,210 (2013-14 Rs.10,06,72,287).
- 3.16** Repairs to buildings include amortization of cost of structures on leasehold land of Rs.4,88,042 (2013-14 Rs.3,25,398).
- 3.17** Human resources – Particulars of managerial remuneration (i) To Managing Director – Salary Rs.21,60,000 (2013-14 Rs.21,60,000), Perquisites Rs.14,40,000 (2013-14 Rs.14,40,000); and (ii) To Joint Managing Directors – Salary Rs.24,00,000 (2013-14 Rs.24,00,000), Perquisites Rs.12,00,000 (2013-14 Rs.12,00,000).
- 3.18** Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof – Rs.2,80,000 (2013-14 Rs.Nil).
- 3.19** Depreciation/amortisation – (i) Amortised cenvat credit of Rs.2,69,722 (2013-14 Rs.4,12,185) deducted from capital reserve has been netted against the depreciation charge relating to the concerned plant and machinery.



3.20 Details of Long Term Borrowings:

(Rupees)

	Bank/Name	March 31, 2015			Particulars of Repayment	March 31, 2014			Rate of Interest %
		Non Current Rupees	Current Rupees	Total Rupees		Non Current Rupees	Current Rupees	Total Rupees	
a. Secured Loans:									
i) Term loans from Banks									
	Central Bank of India Indian Overseas Bank	— —	99,91,384	99,91,384	9 monthly instalments of Rs.10 lakhs each and one monthly instalment of Rs.9.91 lakhs (2015-16 Rs.99.91 lakhs)	1,02,12,384	1,12,50,000 1,20,00,000	1,12,50,000 2,22,12,384	13.50 13.50
	State Bank of India TL 1		18,36,000	18,36,000	one monthly instalment of Rs.18 lakhs (2015-16 Rs.18 lakhs)	— —	3,78,36,000	3,78,36,000	13.65
	State Bank of India TL 2	8,52,00,000	6,96,00,000	15,48,00,000	12 monthly instalments of Rs.58 lakhs each and 12 monthly instalments of Rs.71 lakhs each (2015-16 Rs.696 lakhs and 2016-17 Rs.852 lakhs)	15,48,00,000	360,00,000	19,08,00,000	13.65
	State Bank of India TL 3 State Bank of India TL 4	4,27,50,000	216,00,000	6,43,50,000	12 monthly instalment of Rs.18 lakhs each, 16 monthly instalment of Rs.22.50 lakhs and 2 monthly instalment of Rs.33.75 lakhs each (2015-16 Rs.216 lakhs, 2016-17 Rs.360 lakhs and 2017-18 Rs.67.50 lakhs)	6,43,50,000	2,48,00,000 1,89,00,000	2,48,00,000 8,32,50,000	13.65 13.75
	Karnataka Bank TL 1	— —	4,01,25,000	4,01,25,000	3 quarterly instalments of Rs.100 lakhs each and one quarterly instalment of Rs.101.25 lakhs (2015-16 Rs.401.25 lakhs)	4,01,25,000	1,20,00,000	5,21,25,000	14.00
	Karnataka Bank TL 2	4,97,38,093	3,52,00,000	8,49,38,093	4 quarterly instalments of Rs.88 lakhs each, 3 quarterly instalments of Rs.140 lakhs each and one quarterly instalment of Rs.77.38 lakhs (2015-16 Rs.352 lakhs, 2016-17 Rs.497.38 lakhs)	8,49,38,093	2,80,00,000	11,29,38,093	14.00
	Karnataka Bank TL 4	1,82,86,000	92,40,000	2,75,26,000	12 monthly instalment of Rs.7.70 lakhs each, 17 monthly instalment of Rs.9.63 lakhs and 1 monthly instalment of Rs.19.15 lakhs (2015-16 Rs.92.40 lakhs, 2016-17 Rs.115.56 lakhs, 2017-18 Rs.67.30 lakhs)	2,75,26,000	80,88,000	3,56,14,000	13.75



3.20 Details of Long Term Borrowings (Contd...)

(Rupees)

	1,50,25,000	100,00,000	2,50,25,000	14.00	8 quarterly instalments of Rs.25 lakhs each and one quarterly instalment of Rs.40.25 lakhs (2015-16 Rs.100 lakhs, 2016-17 Rs.100 lakhs, 2017-18 Rs.40.25 lakhs)	2,44,74,829	83,50,000	3,28,24,829	14.25
IDBI Term loan									
HDFC Bank bus loan									
Federal Bank car loan									
State Bank of India car loan	19,328	5,05,255	5,24,583	9.90	14 monthly instalments (2015-16 Rs.4.34 lakhs and 2016-17 Rs.0.73 lakhs)	4,35,690	3,20,008 1,16,745 5,05,255	3,20,008 1,16,745 9,40,945	10.25 10.71 9.90
State Bank of India car loan		3,31,285	3,31,285	9.90	12 monthly instalments (2015-16 Rs.2.98 lakhs)	2,64,300	3,31,284	5,95,584	9.90
ii) Term loan from others Kotak Mahindra Prime Limited car loan		3,07,583	3,07,583	9.90	11 monthly instalment (2015-16 Rs.3.07 lakhs)	99,335	10,20,000	11,19,335	9.90
iii) Cash credit from banks State Bank of India State Bank of India adhoc Karnataka Bank Karnataka Bank adhoc Axis Bank Canara Bank		20,94,56,874 10,09,43,153 7,20,25,731 5,05,62,898 517,27,449 -61,93,017	20,94,56,874 10,09,43,153 7,20,25,731 5,05,62,898 517,27,449 -61,93,017	13.25 13.25 13.25 12.75 13.50	On demand On demand On demand On demand		20,09,91,142 9,50,34,118 519,15,916 4,63,06,414	20,09,91,142 9,50,34,118 5,19,15,916 4,63,06,414	13.25 13.25 12.75 13.50
iv) Short term loan from banks Canara Bank WCDL		3,25,00,000	3,25,00,000	12.45			3,34,84,141	3,34,84,141	12.45
TOTAL	21,10,18,421	70,97,59,595	92,07,78,016			40,72,25,631	62,72,49,023	103,44,74,654	

(i) Term loans from banks aggregating Rs.40,85,91,477 (March 31, 2014 Rs.57,85,50,306) are secured by a first charge on the Company's fixed asset the charge stated in (ii) to (iv) infra and secured by a second charge on the Company's current assets;

(ii) Term loans from banks to an extent of Rs. Nil (March 31, 2014 Rs.2,51,00,000) are secured by a first charge on the Company's wind mills;

(iii) Term loans from banks to an extent of Rs.8,55,868 (2013-14 Rs.11,69,318) are secured by hypothecation of certain buses and cars;

(iv) Term loan from Kodak Mahindra Prime Limited of Rs.3,07,583 (2013-14 Rs.30,92,617) is secured by hypothecation of car;

(v) Cash credit/short term loan/buyers credit facilities(FC) are secured by a first charge on the Company's current assets except the stock of cotton pledged for goods loan facility and by a second charge on the Company's fixed assets excluding the charges mentioned in (ii) to (iv) supra;

(vi) Goods loan facilities are secured by pledge of cotton; and (vii) All the above loans are guaranteed by four directors.

b. Unsecured Loans:

Fixed deposits	2,13,05,000	0.00	2,13,05,000	11.00	2,68,15,000	3,61,71,000	6,29,86,000	11.00 to 12.00
TOTAL	2,13,05,000	0.00	2,13,05,000		2,68,15,000	3,61,71,000	6,29,86,000	

3.21 Employee benefits -

(i) Defined Employee benefit plans - As per Actuarial valuation as on March 31, 2015

Rs. lakhs

	Gratuity (funded)					Compensated absences (unfunded)				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
A. Expenses recognised in the statement of profit and Loss Accounting for the year ended Mar 31, 2012										
(i) Current service cost	23.51	23.10	20.62	22.36	23.99	1.02	1.08	1.22	1.19	1.19
(ii) interest cost	27.33	25.17	25.39	21.76	20.82	15.89	14.12	15.21	14.00	13.51
(iii) Expected return on plan assets	-26.97	-28.39	-17.07	-20.47	-19.53	—	—	—	—	—
(iv) Net actuarial(gain)/loss recognised during the year	-7.97	20.80	-20.25	55.58	24.55	-9.33	-9.55	-11.76	-9.14	-8.53
Total expenses	15.90	40.68	8.69	79.23	49.83	7.58	5.65	4.67	6.06	6.17
B. Actual return on plan assets										
(i) Expected return on plan assets	26.97	28.39	17.07	20.47	19.53	—	—	—	—	—
(ii) Actuarial(gain)/loss on plan assets	-0.76	-0.79	-5.26	-6.55	-2.11	—	—	—	—	—
(iii) Actual return on plan assets	26.21	27.60	11.81	13.92	17.42	—	—	—	—	—
C. Net asset/(liability) recognised in the balance sheet										
(i) Present value of the obligation	357.00	368.25	329.43	336.12	301.07	199.02	191.44	185.78	181.11	175.05
(ii) Fair value of plan assets	295.42	313.56	315.43	211.05	255.24	—	—	—	—	—
(iii) Funded status (surplus/deficit)	-61.58	-54.69	-14.00	-125.07	-45.83	-199.02	-191.44	-185.78	-181.11	-175.05
(iv) Unrecognised past service cost	—	—	—	—	—	—	—	—	—	—
(v) Net Asset/(liability) recognised in the balance sheet	-61.58	-54.69	-14.00	-125.07	-45.83	-199.02	-191.44	-185.78	-181.11	-175.05
D. Change in Present value of the obligation during the year										
(i) Present value of the obligation as at beginning of the year	368.24	329.43	336.12	301.08	286.74	191.43	185.78	181.11	175.05	188.63
(ii) Current service cost	23.51	23.10	20.62	22.36	23.99	1.02	1.08	1.22	1.19	1.19
(iii) interest cost	27.33	25.17	25.39	21.76	20.82	15.89	14.12	15.21	14.00	13.51
(iv) Benefits paid	-53.35	-29.47	-37.43	-58.11	-52.91	—	—	—	—	-19.75
(v) Actuarial(gain)/loss on obligation	-8.73	20.01	-15.27	49.03	22.44	-9.32	-9.55	-11.76	-9.14	-8.53
(vi) Present value of obligation as at end of the year	357.00	368.24	329.43	336.12	301.08	199.02	191.43	185.78	181.11	175.05
E. Change in assets during the year										
(i) Fair value of plan assets as at beginning of the year	313.56	315.43	211.05	255.24	250.40	—	—	—	—	—
(ii) Expected return on plan assets	26.97	28.39	17.07	20.47	19.53	—	—	—	—	—
(iii) Contributions	9.00	—	130.00	—	40.34	—	—	—	—	—
(iv) Benefits paid	-53.35	-29.47	-37.43	-58.11	-52.91	—	—	—	—	—
(v) Actuarial(gain)/loss on plan assets	-0.76	-0.79	-5.26	-6.55	-2.11	—	—	—	—	—
(vi) Fair value of plan assets as at end of the year	295.42	313.56	315.43	211.05	255.24	—	—	—	—	—

3.21 Employee benefits -													Rs. lakhs
(i) Defined Employee benefit plans - As per Actuarial valuation as on March 31, 2015 (Contd.)													
	Gratuity (funded)						Compensated absences (unfunded)						
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11			
(i) Plan liabilities - loss(gain)	-8.73	20.01	-15.27	49.03	22.44	-9.32	-9.55	-11.76	-9.14	-8.53			
(ii) Plan assets - loss(gain)	-0.76	-0.79	5.26	6.55	2.11	—	—	—	—	—			
G. Major categories of plan assets as a percentage of total plan													
(i) Government of india securities	—	—	—	—	4%	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded			
(ii) State Government Securities	—	—	—	—	—	—	—	—	—	—			
(iii) High Quality Corporate bonds	—	—	—	—	—	—	—	—	—	—			
(iv) Special Deposit Scheme	—	—	—	—	—	—	—	—	—	—			
(v) Other (Bank deposits)	—	—	—	—	37%	—	—	—	—	—			
(vi) SBI Life insurance company	100%	100%	100%	100%	59%	—	—	—	—	—			
(vii) Total	100%	100%	100%	100%	100%	—	—	—	—	—			
H. Actuarial Assumptions													
(i) Discount rate	8%	8%	8%	8%	8%	7.80%	8.30%	7.60%	8%	8%			
(ii) Salary escalation rate	6%	5%	5%	5%	5%	6%	6%	6%	5%	5%			
(iii) Attrition rate	5%	5%	5%	5%	5%	1%	1%	1%	5%	5%			
(iv) Expected return on plan assets	8.00%	9.00%	8.50%	8%	8%	0%	0%	0%	0%	0%			

In the above actuarial valuation the estimated of future salary increases have reckoned the effect of inflation, seniority, promotion and other relevant factors.

ii) Gratuity fund is administered through group gratuity scheme with SBI Life Insurance Company Ltd. and the Gratuity Trust through trustees.

iii) During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

Salaries, wages and bonus include compensated absences of Rs.18,13,729 (2013-14 Rs.16,40,974)

Contribution to provident, gratuity and other funds include contribution to provident fund and family pension fund contribution of Rs.76,86,597

(2013-14 Rs.68,34,888) and gratuity fund of Rs.15,90,406 (2013-14 Rs.40,68,155).

Workmen and staff welfare expenses include contribution to employees state insurance of Rs.32,59,811 (2013-14 Rs.31,90,655).

3.22 The figures for the previous periods have been reclassified/regrouped/amended, wherever necessary.

Signatures to Statement of Accounting Policies and Notes to Financial Statements

For and on behalf of the board

Salem

May 28, 2015

S. Dinakaran

Joint Managing Director

DIN : 00001932

S. Devarajan

Chairman and Managing Director

DIN : 00001910

D. Niranjan kumar

Chief Financial Officer

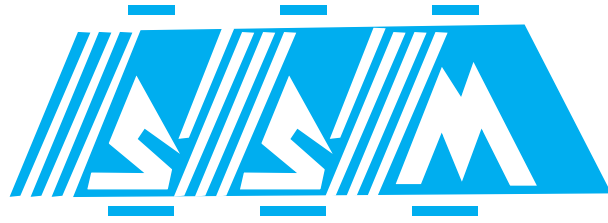
R.S. Shanmugam

Company Secretary



41st Annual Report

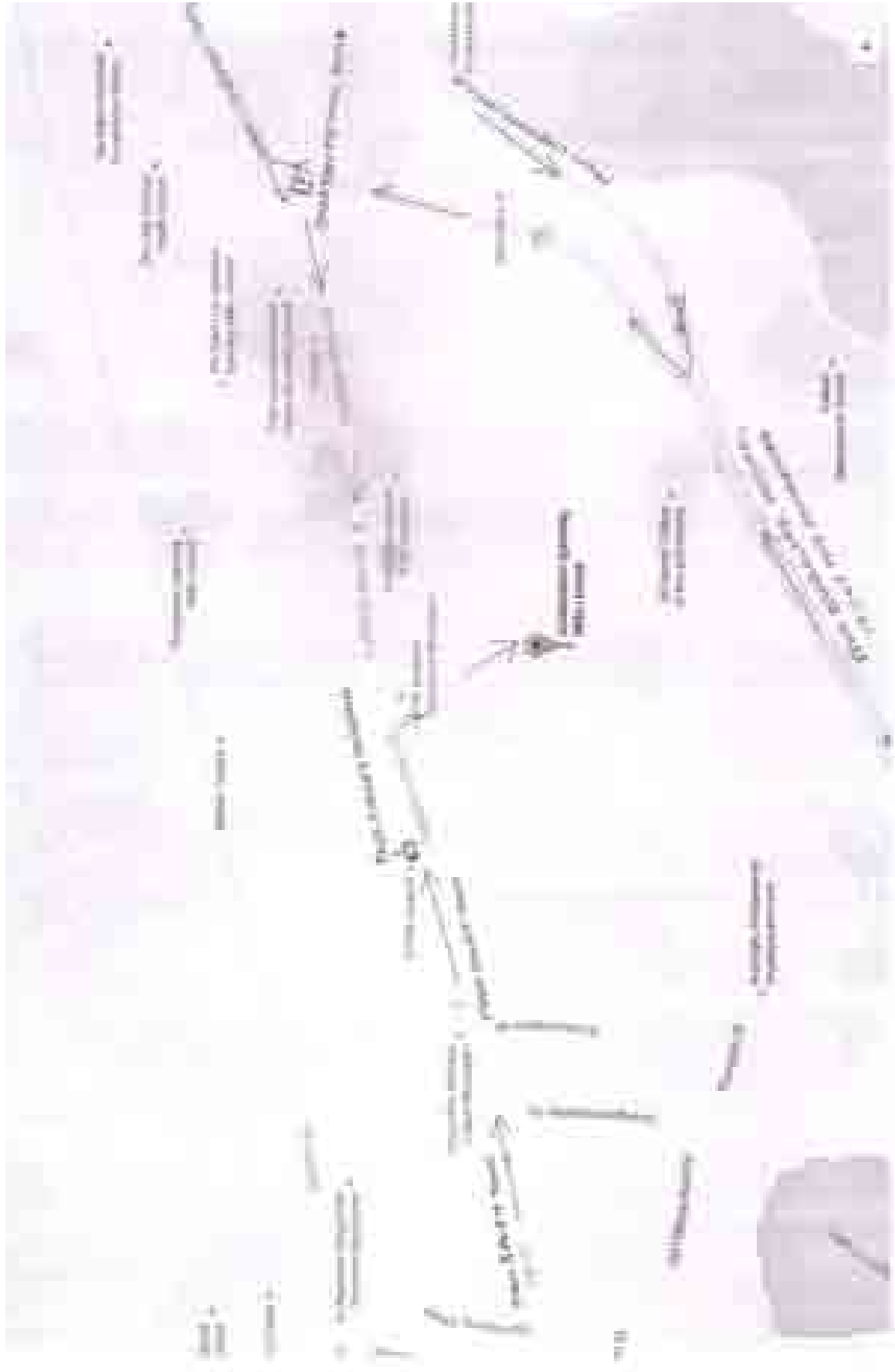
Sambandam Spinning Mills Limited
Post Bag No 1, Kamaraj Nagar Colony,
SALEM – 636 014



**Notice
of the 41st
Annual General Meeting
27-09-2015**

**Sambandam Spinning Mills Limited
Post Bag No 1, Kamaraj Nagar Colony,
SALEM – 636 014**

**ROUTE MAP FOR THE AGM VENUE - LOCATION OF
SAMBANDAM SPINNING MILLS LIMITED**





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 pursuant to Section 96 and other applicable provisions, if any, of the Companies Act 2013 that the 41st Annual General Meeting (AGM) of the Members of the Company will be held **at 10.30 a.m on Sunday, the 27th September, 2015** 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 Audited Balance Sheet as at 31st March 2015 together with the Statement of Profit and Loss and the Cash Flow statement 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 two per equity share of rupees ten each be and is hereby declared for the financial year ended 31st March 2015 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 2015 to those shareholders whose names appear in the Register of Members as on 27th September 2015 in the case of members holding shares in physical form and to the beneficial holders of the dematerialised shares as on 27th September 2015 as per the details provided by the Central Depository Services (India) Limited (CDSL) and the National Securities Depository Limited (NSDL) in the case of the shares held in electronic form.”

Item **APPOINTMENT OF SRI S.JEGARAJAN, DIRECTOR RETIRING BY ROTATION**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri S.Jegarajan holding DIN 00018565, Director retiring by rotation at this AGM be and is hereby re-appointed as a director of the Company liable to retire by rotation.”

Item **APPOINTMENT OF STATUTORY AUDITORS**

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. M.S.Krishnaswami & Rajan, Chartered Accountants (Firm registration No.01554S) be and are hereby re-appointed Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting for the financial year 2015-16 on a remuneration of Rs.4,25,000/- (Rupees four lakhs and twenty five thousand only) excluding the out of pocket expenses that may be incurred by them in connection with the audit and excluding the applicable service tax.”



SPECIAL BUSINESS

Item **RATIFICATION OF THE REMUNERATION PAYABLE TO COST AUDITORS**

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.2,25,000 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 2016 to M/s.S.Mahadevan & Co., Cost Accountants as recommended by the Audit Committee and approved by the Board of Directors of the Company pursuant to section 148 of the Companies Act 2013 read with rule 14 and other applicable rules of the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) excluding the out of pocket expenses that may be incurred by them in connection with the audit and excluding the applicable service tax be and is hereby ratified.”

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

Item **REAPPOINTMENT 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 further period of three years from 1.10.2015 to 30.09.2018 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.2,40,000/- per month,

(b) Perquisites and allowances as under not exceeding Rs.1,60,000/ 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 further period of three years from 1.10.2015 to 30.09.2018 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.2,30,000/- per month,

(b) Perquisites and allowances as under not exceeding Rs.1,50,000/ 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 further period of three years from 1.10.2015 to 30.09.2018 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.1,60,000 per month,

(b) Perquisites and allowances : Following are the only perquisites/allowances payable to Sri S.Dinakaran, Joint Managing Director

- (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;

"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 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 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 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.

Item REISSUE OF 21800 FORFEITED EQUITY SHARES

No.10 To consider, and if thought fit, to pass with or without modification, the following Resolution, as an ORDINARY RESOLUTION :

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

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

RESOLVED FURTHER THAT sanction be and is hereby accorded to the Board of Directors to apply to the Bombay Stock Exchange pursuant to Clause 23 (a) of the Listing Agreement for their approval to issue the forfeited shares on the basis of the foregoing resolutions and to exempt the Company from issuing or offering the forfeited shares to all the shareholders on pro-rata basis inasmuch as the quantum of the forfeited shares constitutes just 0.5% of the issued shares of the Company.

Place : Salem
Date : August 12, 2015

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

NOTES:

- 1 A Member entitled to attend and vote is entitled to appoint proxy / proxies to attend and vote instead of him / her and the proxy need not be a Member. 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 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 10 (though not mandatory for items No.2, 3 and 4) of the Notice to be transacted at the AGM is annexed hereto.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 19th September 2015 to Sunday, 27th September 2015 (both days inclusive) for determining the entitlement of the shareholders to the dividend for year ended 31st March 2015.



- 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 would be paid 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, not later than 10.9.2015 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 10.9.2015, so that the dividend warrants could be sent to their Bank Account / present address.
Members are also advised to intimate the details of their bank account to enable electronic remittance of the dividend. This would help to avoid fraudulent encashment of dividend warrants. In the 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 the Registrars and Share Transfer Agents (RTA) of the Company, Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai – 600 002. In the 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 the 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 10.9.2015. 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 two 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 two 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. Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends declared up to the financial year 2006-07. As per 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 28th September 2014 (date of last AGM) on the website of the Company (www.sambandam.com) as also on the website of the Ministry of Corporate Affairs. Shareholders can ascertain the status of their unclaimed amounts from these websites, and write to the Company immediately to claim that amount, if found in that list.
- 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 may 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 pursuant to clause 49 of the Listing agreement with the stock exchanges in respect of Directors seeking reappointment at the AGM are 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) Rules 2014, 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 41st 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 MONDAY, 21st SEPTEMBER 2015. 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. 21st SEPTEMBER 2015.
- (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 Wednesday, 23.9.2015 and ends at 5.00 p.m. on Saturday 26.9.2015. 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 21.9.2015 (Monday) 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 21.8.2015. Those who acquire the Company's shares subsequently and continue to hold the shares till the cut off date i.e. 21.9.2015 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. or Client ID and their shareholding details.



- 15** For e-voting, (a) Log on to the e-voting website www.evotingindia.com, Click on 'Shareholders' tab; Select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"; (b) Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID); Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login. If you are holding shares in Demat form and have already done e-voting of any Company, then your existing password can be used.

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

Fill up the following details in the appropriate boxes:

Members holding shares in Demat Form or in Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/RTA/ Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. The eight digit S.L.No. printed on your address slip pasted on the Annual Report envelope is the sequence number for this purpose. For example, If your name is Ramesh with S.L.No.00003615 then enter RA00003615 in the 'PAN field'. If the name is V.K.Mohan, with S.L.No.00000015 enter VK00000015 in the PAN field.
Date of birth (DOB) # or Dividend Bank A/c Details #	Enter the Date of Birth in dd/mm/yyyy format as recorded in your Demat account or in the Company records for the said Demat account or Folio. OR Enter the Dividend Bank Details as recorded in your Demat account or in the Company records for the said Demat account or Folio.
PAN */DOB/ Bank A/c Details #	If the above details are not recorded with the Company, enter the user ID (folio number) in the Dividend Bank details field as mentioned in Instruction 15 above.

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

Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to enter their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

- 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.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- 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.
- 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.
- 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 Friday, 25.9.2015. 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 to10

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 2014-15 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 postal ballot or by ballot paper at the AGM) Dividend could be paid only if approved by the Company's Bankers.

Item APPOINTMENT OF SRI S.JEGARAJAN, DIRECTOR RETIRING BY ROTATION

No.3 Sri S.Jegarajan, director retires by rotation. He is eligible and hence offers himself for reappointment by members. Sri.S.Jegarajan DIN 00018565 has three decades of experience in Spinning Mills. He is holding 4,40,846 equity shares of the Company. He is related to the Managing Director, another Joint Managing Director and the Chief Technical Officer of the Company. None of the other Directors or the Key Managerial Personnel or their relatives is interested or concerned in the Resolution.

Item APPOINTMENT OF STATUTORY AUDITORS

No.4 M/s.M.S.Krishnaswamy & Rajan, Chartered Accountants (Firm Registration No.01554S) was appointed Statutory Auditors of the Company at the last (40th) Annual General Meeting of the Company held on 28.9.2014 to hold office till the conclusion of this Annual General Meeting. As per Section 139(2) of the Companies Act, 2013, a listed Company can appoint a firm of auditors for not more than two terms of five years each. M/s.M.S.Krishnaswamy & Rajan have been the statutory auditors of the Company for more than ten years. However, the Act provides a period of three years from the date of enforcement of that section (i.e. from 1.4.2014) to comply with this requirement. M/s.M.S.Krishnaswamy & Rajan have confirmed their eligibility and willingness to be appointed for one more year. Board recommends their appointment as statutory auditors of the Company for approval of the members. None of the Directors or the Key Managerial Personnel or their relatives is interested in the Resolution.

Item RATIFICATION OF THE REMUNERATION PAYABLE TO COST AUDITORS

No.5 As recommended by the Audit Committee at the Audit Committee Meeting held on 27th May 2015, board of directors have approved the appointment of M/s.S.Mahadevan & Co., Cost Accountants for audit of cost accounts relating to the Spinning Division on payment of remuneration of Rs.2,25,000 and for audit of cost accounts relating to the Wind Mill Division of the Company on payment of Rs.25,000/- aggregating to Rs.2,50,000/- (Rupees two lakhs fifty thousand only) excluding out of pocket expenses and service tax for the year ending 31st March 2016. 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 Nomination and Remuneration Committee, at its meeting held on May 27, 2015, 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 1-10-2015 to 30-09-2018 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.

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) Name of the industry : Textile
 (2) Date of commencement of Commercial Production : June 1974
 (3) Financial Performance : **Financial Highlights**

(Rupees lakhs)

	2014-15	2013-14
Share Holders' funds	7782.93	7568.59
Non-Current Liabilities	5760.38	7615.61
Current Liabilities	10184.02	10483.87
Non-Current Assets	16122.27	16712.18
Income	24319.67	25647.86
Expenses	23811.26	24240.45
Profit / (Loss) before tax	508.41	1362.11
Profit / (Loss) after tax	345.41	937.11
Earnings per Equity Share (Face value Rs.10)-basic and diluted (in Rs.)	8.10	21.97
Total Capital Employed	13346.20	15017.10
Net worth per share (Rs.)	182.50	177.47
Profit before Interest and Depreciation	2767.53	3878.42
Retained earnings	1327.81	1951.00
Dividend (%)	* 20	20

* subject to the approval of the Bankers and declaration by members at the 41st AGM.

		(Rupees lakhs)	
		2015	2014
4) Export Performance and Net Foreign exchange	(i) Earnings in foreign exchange	533.38	602.40
	(ii) Expenditure in Foreign Currencies	23.08	19.04
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, 65 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.
- Details :
- (2) Sri S.Jegarajan, 63 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, 58 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.3,00,000/- per month inclusive of perquisites such as House rent allowance, Medical reimbursement, gas, water and electricity, leave encashment, gratuity, club subscriptions and other usual perquisites.
- (2) For Sri S.Jegarajan, Rs.2,50,000/- 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.50,000/- 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 40 years as Director of Sambandam Spinning Mills Limited and for the past 13 years as Managing Director of the Company makes him ideally suitable for the said position.
- (2) Experience of Sri S.Jegarajan in the field of administration for the last 39 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 33 years in the Company makes him ideally suitable for the said position.
- (f) Remuneration Proposed (1) Rs.4,00,000 per month inclusive of perquisites and other terms as stated in the Resolution for Sri S. Devarajan.
- (2) Rs.3,80,000 per month inclusive of perquisites and other terms as stated in the Resolution for Sri S. Jegarajan.
- (3) Rs.1,60,000 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 : Information not available
- (h) Pecuniary relationship with the Company or relationship with the managerial personnel : (1) Sri S. Devarajan holds 3,99,115 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 4,25,846 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 3,44,879 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. – Director
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

Other information:

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

The Company's profitability was affected 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. Establishment of Dedicated feeder lines from the EB substation to each Spinning Mill and tying-up with private power producers would result in minimum use of high cost Diesel Gen-sets during the power cut / shut down or load shedding period.

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.Niranjana 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 disclosure under clause 49 of the Listing Agreement.

Exp. Stat. Item No.9 : ACCEPTANCE OF DEPOSITS FROM MEMBERS OF THE COMPANY

Section 73(2) of the Companies Act 2013 prescribes that approval of the members by passing a resolution at the General Meeting is required for the Board of Directors to accept deposits from the shareholders of the Company. However, the relevant rules require certain procedure 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 commends the resolution for members' approval. None of the directors, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

Exp. Stat. Item No.10 : REISSUE OF 21800 FORFEITED EQUITY SHARES

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

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

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



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

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

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

Public issue of 12 Lakhs Equity shares of Rs.10/- each, at a premium of Rs.40/- per share, was made in 1995. Out of the said 12 Lakhs Equity shares, 21800 Equity Shares were forfeited by the Board of Directors at the meeting held on 24th June 2002 consequent upon non-payment of the allotment / call money payable in respect of those shares.

Board of Directors of the Company at the Board Meeting held on 12th August 2015 decided to recommend to the shareholders to pass the resolutions as stated under the agenda item No.10 with reference to the conditions interalia contained in the Listing Agreements.

If the forfeited shares are to be reissued on pro-rata basis, it will work out to approximately one share for every 200 shares held by the shareholder and such an offer of shares at the present market price of around Rs.70/- per share does not result in any reasonable benefit to the shareholder who opts to buy the share. Non-offer of shares on such pro-rata basis will not prejudicially affect the interest of the shareholders. The Board has therefore decided to dispose of the shares by following the procedure as laid down in Clauses 31 and 33 of TABLE F of Schedule I of the Companies Act, 2013 at the best price possible based on the prevailing market price.

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

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 *at the Registered Office of the Company* till the date of the ensuing Annual General Meeting.

Place : Salem
Date : August 12, 2015

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



SAMBANDAM SPINNING MILLS LIMITED

Corporate Identity Number (CIN) : L17111TZ1973PLC000675

Registered Office : KAMARAJ NAGAR COLONY, SALEM – 636 014

Tel : 0427 2240790 Fax : 0427 2240169

Email : corporate@sambandam.com Website : www.sambandam.com

POSTAL BALLOT FORM (In lieu of e-Voting at the AGM)

1.	Name of Sole / First Member	
2.	Name(s) of Joint Member (s), if any	
3.	Registered Folio No. / Client ID :	
4.	Number of Shares held (in words and figures)	

I / We hereby exercise my / our vote in respect of the Resolution(s) to be passed through Postal Ballot for the business stated in the AGM Notice dated 12-8-2015 of the Company by conveying my / our assent (Yes) or dissent (No) to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Sl No.	Resolutions	Type of Resolution	No. of Shares Held	Yes (Assent)	No (Dissent)
1.	ADOPTION OF FINANCIAL STATEMENTS	ORDINARY			
2.	DECLARATION OF DIVIDEND	ORDINARY			
3.	APPOINTMENT OF SRI S.JEGARAJAN, DIRECTOR RETIRING BY ROTATION	ORDINARY			
4.	APPOINTMENT OF STATUTORY AUDITORS	ORDINARY			
5.	RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITORS	ORDINARY			
6.	RE-APPOINTMENT OF SRI S.DEVARAJAN, CHAIRMAN AND MANAGING DIRECTOR	SPECIAL			
7.	RE-APPOINTMENT OF SRI S.JEGARAJAN, JOINT MANAGING DIRECTOR	SPECIAL			
8.	RE-APPOINTMENT OF SR S.DINAKARAN, JOINT MANAGING DIRECTOR	SPECIAL			
9.	ACCEPTANCE OF DEPOSITS FROM MEMBERS	ORDINARY			
10.	RE-ISSUE OF 21800 FORFEITED EQUITY SHARES	ORDINARY			

Note: 1) Kindly read the instructions printed overleaf (next page) before filling the form.

2) Last date for receipt of Postal Ballot Forms by Scrutinizer is 25th September 2015.

Place:

Date:

(Signature of Member)



INSTRUCTIONS

- 1) This Ballot Form is provided for the benefit of Members who do not have access to electronic voting (e-voting) facility.
- 2) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall only prevail and the ballot shall be treated as invalid .
- 3) For detail instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
- 4) The Scrutinizer will collate the votes cast by poll at the AGM, download the votes cast by e-voting from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.
- 5) Sri B.Kalyanasundaram, Practising Company Secretary, (ACS No.672 and CP No.2209) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Result of the voting on all Resolutions will be declared within 3 days after the AGM of the Company. 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 (BSE).

Process and manner for Members opting to vote by using the Ballot Form

- 1) Please complete **Postal Ballot Form**, sign the form, detach it from the Notice and **send it to the Scrutinizer** at his following address so as to reach the **Scrutinizer before 5.00 p.m. on 25.09.2015.**

**Sri B.Kalyanasundaram, Practising Company Secretary,
B.K.Sundaram & Associates, 30, Pandamangalam Agraharam, Woriur, Trichy – 620 003.**

Duly filled and signed Postal Ballot Form may be sent to the Scrutinizer by post or by courier or by hand delivery at his above address.

- 2) The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA.
- 3) In case the shares are held by Companies, Trusts, Societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
- 4) Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot Paper against each Resolution.
- 5) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on Monday, 21st September 2015 (Cut off date) and as per the Register of Members of the Company
- 6) Duly completed Ballot Form should reach the Scrutinizer not later than Friday, 25th September 2015 (5.00. p.m. IST). Ballot Form received after 5.00 p.m on 25th September, 2015 will be strictly treated as if the reply from the Members has not been received.
- 7) A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 6 above.
- 8) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 9) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN : L17111TZ1973PLC000675

Name of Company : **SAMBANDAM SPINNING MILLS LIMITED**

Registered Office : Kamaraj Nagar Colony, Salem – 636 014

Tel : 0427 2240790 Fax : 0427 2240169

Email : corporate@sambandam.com Website : www.sambandam.com

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No / Client ID No:.....DP ID No.....

I / We, being the Member(s) of Sambandam Spinning Mills Limited, holding ... Shares hereby appoint

1. Name:E-mail Id.....
Address:
.....Signature....., or failing him

2. Name:E-mail Id.....
Address:
.....Signature....., or failing him

3. Name:E-mail Id.....
Address:

.....Signature.....
as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the Forty First
Annual General Meeting of the Company to be held on Sunday, the 27th September 2015 at 10.30
a.m at the Registered Office of the Company in Salem and at any adjournment thereof in respect
of the resolutions stated overleaf (please turn to next page).



SAMBANDAM SPINNING MILLS LIMITED

Corporate Identity Number (CIN) : L17111TZ1973PLC000675

Registered Office : KAMARAJ NAGAR COLONY, SALEM – 636 014

Tel : 0427 2240790 Fax : 0427 2240169

Email : corporate@sambandam.com Website : www.sambandam.com

Attendance Slip

(To be presented at the entrance)

I hereby record my presence at the Forty First Annual General Meeting of the Company held
at the Registered Office of the Company in Salem on Sunday, the 27th September 2015 at 10.30 a.m.

Folio No.....DP ID No.....Client ID No.....

Name of the Member.....Signature.....

Name of the Proxy holder.....Signature.....

1. Only Member / Proxy holder can attend the Meeting.

2. Member / Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.



SAMBANDAM SPINNING MILLS LIMITED

Corporate Identity Number (CIN) : L17111TZ1973PLC000675

Registered Office : KAMARAJ NAGAR COLONY, SALEM – 636 014

Tel : 0427 2240790 Fax : 0427 2240169

Email : corporate@sambandam.com Website : www.sambandam.com

Please put a tick (✓) mark at the appropriate column against the respective resolution. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Sl. No.	Resolutions	Type of Resolution	No. of Shares Held	Yes (Assent)	No (Dissent)
1.	ADOPTION OF FINANCIAL STATEMENTS	ORDINARY			
2.	DECLARATION OF DIVIDEND	ORDINARY			
3.	APPOINTMENT OF SRI S.JEGARAJAN, DIRECTOR RETIRING BY ROTATION	ORDINARY			
4.	APPOINTMENT OF STATUTORY AUDITORS	ORDINARY			
5.	RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITORS	ORDINARY			
6.	RE-APPOINTMENT OF SRI S.DEVARAJAN, CHAIRMAN AND MANAGING DIRECTOR	SPECIAL			
7.	RE-APPOINTMENT OF SRI S.JEGARAJAN, JOINT MANAGING DIRECTOR	SPECIAL			
8.	RE-APPOINTMENT OF SR S.DINAKARAN, JOINT MANAGING DIRECTOR	SPECIAL			
9.	ACCEPTANCE OF DEPOSITS FROM MEMBERS OF THE COMPANY	ORDINARY			
10.	RE-ISSUE OF 21800 FORFEITED EQUITY SHARES	ORDINARY			

Signed this.....day of September 2015

Affix
Re.1
Revenue
Stamp

Signature of Proxy holder(s).....

Signature of Member

Note:

- 1) The Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Kamaraj Nagar Colony, Salem – 636 014 not less than 48 hours before the commencement of the Meeting, i.e. before 10.30 a.m on 25.09.2015.
- 2) 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.
- 3) 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 three days advance notice in writing is given to the Company.