

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty-Second Annual General Meeting of the members of **KALLAM SPINNING MILLS LTD** will be held on Saturday, September 27, 2014 at 3.00 P.M. at the Registered Office of the Company at NH-5, Chowdavaram, and Guntur-522 019, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares for the financial year 2013-14.
3. To appoint a Director in place of Shri M.V.Subba Reddy (DIN-00018719) who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Auditors and fix their remuneration

***To consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:***

“RESOLVED that pursuant to the provision of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time M/s Brahmayya & Co., Chartered Accountants (Firm Registration No-000153S), be and is hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General meeting till the conclusion of the Twenty-Fifth Annual General Meeting of the Company to be held in the year 2017(subject to ratification of their appointment at every AGM) at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### Special Business

5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:  
“RESOLVED that pursuant to the provisions of Sections 196, 197 Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Shri M.V. Subba Reddy (DIN-00018719) be and is hereby re-appointed as Whole-time Director of the Company, for a period of 3 years with effect from and including June 1, 2014 on such remuneration and terms and conditions as may be agreed between the Board of Directors and Shri. M.V Subba Reddy.
6. To appoint Shri M R Naik (**DIN : 01628537**) as an Independent Director and in this regard to consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:  
“RESOLVED that pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time Shri M R Naik ( DIN No:01628537), a non executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 27, 2014 up to September 26, 2019.”
7. To appoint Shri S Pulla Rao (**DIN : 02360239**) as an Independent Director and in this regard to consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:  
“RESOLVED that pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time Shri S Pulla Rao (DIN No:02360239), a non executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 27, 2014 up to September 26, 2019.”
8. To appoint Shri A Krishna Murthy (**DIN : 00018725**) as an Independent Director and in this regard to consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:  
“RESOLVED that pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time Shri A Krishna Murthy (DIN No:00018725), a non executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 27, 2014 up to September 26, 2019.”
9. To appoint Smt. V.Bhargavi (**DIN : 06950741**) as an Independent Director and in this regard to consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:  
“RESOLVED that pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time Smt. V.Bhargavi (DIN No: 06950741), who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 27, 2014 up to September 26, 2019.”

Place : Chowdavaram  
Date : 11.08.2014

By order of the Board of Directors  
**P. Venkateswara Reddy**  
Managing Director

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and vote on a poll, instead of himself / herself and such proxy need not be Member. The proxy form is enclosed which should be deposited at the Registered Office of the Company duly completed and signed, not later than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2014 to September 27, 2014 (both days inclusive).
3. The accounts, the reports and all other documents required under the law to be annexed thereto will be available for inspection during working hours at the Registered Office of the Company on any working day prior to the date of the Annual General Meeting.
4. Dividend recommended by Directors, if approved by the members at the Annual General Meeting will be paid on or after 2nd October 2014 to those members whose names appear on the register of members as on 27th September 2014. In respect of shares held in electronic form the dividend will be payable on the basis of beneficial ownership as at the close of 22nd September 2014 as per the details furnished by National Securities Depository limited/Central Depository service (India) Limited for the purpose as on that date.
5. Members desiring to seek any information on the Annual Accounts to be explained at the meeting are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting to make the required information.
6. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agent at: Bigshare Services Private Limited, 306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 at the earliest not later than 16-09-2014.
  - Any change in their address/mandate/Bank details; and
  - Particular of their Bank Account, in case the same has not been sent earlier.
7. Members holding shares in the electronic form are advised to inform change in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the Company by the receptive Depositories viz. NSDL and CDSL will be printed on the dividend warrant.
8. Shareholders should note that as per statutory provisions, if the dividend amount remains unpaid/unclaimed for 7 years from the due date, the said unpaid/unclaimed amount has to be transferred to Investor Education & Protection Fund (IEPF) set up by Central Government. As such the unpaid / unclaimed amount in Dividend Accounts FY 2006-2007 has been transferred to IEPF. Shareholders who have not received / claimed the said dividend are requested to claim the same before due date.

**EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT 2013 & INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTORS**

(Pursuant to Clause 49VI (A) of the Listing Agreement with the Stock Exchanges)

**Item No.3**

Shri M.V.Subba Reddy is the Whole time Director/Director (Finance) of Kallam Spinning Mills Limited. He is associated with the company since its inception as purchase in-charge (Raw Material). He is Post graduate in commerce having experience in cotton purchase for the last 16 years with the company gained excellent knowledge in procurement of raw material sales of Yarn and waste. He is also having experience in accounts.

**Item No. 5**

Pursuant to Section 198 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, the shareholders at their 19th Annual General Meeting held on 27th August, 2011, appointed Shri M.V. Subba Reddy as Whole Time Director of the Company for a period of Three years with effect from 01.06.2011. The term of his appointment would come to an end on 31st May 2014. It is necessary to re-appointment him for another period of three years. Hence the Board at their meeting held on 27-05-2014 decides to reappointment him as Whole Time Director for another period of Three years on the recommendation of the Remuneration Committee.

Pursuant to Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said act and subject to approval of the shareholders in General Meeting, Shri M.V. Subba Reddy be proposed to re-appoint as Whole Time Director of the Company for a period of Three years with effect from and including 1st June 2014 on such remuneration as per the details given below:

**I. Remuneration:**

- a) **Salary** : including dearness and other allowances Rs. 45000/- p.m with a yearly increment of Rs. 3000/-P.A.
- b) **Perquisites** :
  - i) House Rent Allowance Rs. 8000/- p.m
  - ii) Children's education allowance: Rs400/- p.m. per child Subject to a maximum of two children
  - iii) The Company shall provide a telephone at residence and Mobile phone
  - iv) Incentive: In order to encourage in-house ginning, a incentive of Rs. 5/-(Five) for each pressed bale in the ginning unit.

- c) **Insurance Premium** : The Company agrees to bear health insurance premium for self and family of such amount determined for sum of assured of Rs. 5,00,000/- for each self and family members.
- d) The company also agrees to reimburse the additional medical expenditure upto maximum of Rs.2,00,000/- lakhs if any incurred in excess of the insurance claim or claim not payable.
- e) **Accidental insurance premium** : The Company agrees to bear the premium to the extent of Rs 4000/- p.a
- f) Payment of Gratuity at the end of the tenure shall not exceed 15 days salary for each completed year of service or at the rate as may be notified by the government from time to time.
- g) Reimbursement of leave travel concession for self and family once in a year subject to a maximum of one month salary.

#### II Minimum Remuneration :

Not with standing anything to the contrary herein contained, where in any financial year during the currency of the tenure of Shri M.V.Subba Reddy, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive, remuneration, benefits, perquisites and allowances as specifies above.

#### Item No. 6-9

Shri M R Naik , S.Pullarao and A.Krishna Murthy are Independent Directors of the Company and have held the position as such for more than 5 (five) years. It is proposed to appoint Shri M R Naik , S.Pullarao, A.Krishna Murthy and V.Bhargavi as Independent Directors under section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company in the year 2019.

Place : Chowdavaram  
Date : 11.08.2014

By order of the Board of Directors  
**P. Venkateswara Reddy**  
Managing Director



## e-voting instructions

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 22<sup>nd</sup> Annual General Meeting to be held on Saturday, 27<sup>th</sup> September 2014, at 3.00 PM IST. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the E-Voting facility.

The instructions for members for voting electronically are as under :-

The E-Voting Event Number and period of E-voting are set out below :

EVEN (E-VOTING EVENT NUMBER) : 140820005  
 COMMENCEMENT OF E-VOTING : 22 September 2014 at 9.00 A.M  
 END OF E-VOTING : 24 September 2014 at 6.00 P.M

STEPS FOR E-VOTING :

(A) In case of members receiving e-mail:

- i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <Default Value> in the PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value <Default Value> in the DOB column or the <Default Value> in the Dividend Bank details field.

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

- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- viii) Click on the relevant EVSN on which you choose to vote.
- ix) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (II) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:
- (B) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- (D) The voting period begins on 22 September 2014 (9.00 A.M IST) and ends on 24 September 2014 (6.00 P.M IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (E) 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (F) M/s K.Srinivasa Rao & Co., Company Secretaries Guntur (Entity ID: 34721) has been appointed as the Scrutinizer to Scrutinize the e-voting process in a fair and transparent manner.





**KALLAM SPINNING MILLS LIMITED**

**CIN No: L18100AP1992PLC013860**

NH-5, Chowdavaram, Guntur-522019, Andhra Pradesh  
email : kallamsp@gmail.com, admin@ksml.in



**PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s) : Registered Address	e-mail Id : Folio No / Client ID : DP ID :
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I/We, being member of ..... shares of Kallam Spinning Mills Limited, hereby appoint

- 1)..... of ..... having email ID..... or failing him
- 2)..... of ..... having email ID..... or failing him
- 3)..... of ..... having email ID.....

and whose signature (s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 22<sup>nd</sup> ANNUAL GENERAL MEETING of the company to be held at the NH-5, Chowdavaram, Guntur - 522019, Andhra Pradesh, India, on **27<sup>th</sup> September, 2014 at 3-00 pm** and at any adjournment(s) thereof in respect of such resolutions as are indicated below.

Resolutions	For	Against
1. Consider and Adopt : Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Shri M.V.Subba Reddy who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Re-appointment of Shri M.V.Subba Reddy as a Whole-time Director		
6. Appointment of Shri M.R.Naik as an independent Director		
7. Appointment of Shri S.Pullu Rao as an independent Director		
8. Appointment of Shri A.Krishna Murthy as an independent Director		
9. Appointment of Smt. V.Bhargavi as an independent Director		

Signed this ..... day of ..... 2014

..... /Signature of the member

Fifteen  
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Revenue  
Stamp

.....  
Signature of the first proxy holder

.....  
Signature of the second proxy holder

.....  
Signature of the third proxy holder

Note : This form, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



**KALLAM SPINNING MILLS LIMITED**

**CIN No: L18100AP1992PLC013860**

NH-5, Chowdavaram, Guntur-522019, Andhra Pradesh  
email : kallamsp@gmail.com, admin@ksml.in



**ATTENDANCE SLIP**

DP Id		Folio No.	
Client Id		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 22<sup>nd</sup> ANNUAL GENERAL MEETING of the Company at the NH-5, Chowdavaram, Guntur-522019, Andhra Pradesh, India, on Saturday, The **27<sup>th</sup> September, 2014 at 3-00 pm**

.....  
Name of the member / Proxy (in BLOCK Letters)

.....  
Signature of the member / Proxy

Note : Please fillup this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.