

KANDAGIRI SPINNING MILLS LIMITED

SALEM

PROCEEDINGS OF THE 36TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON MONDAY THE 13TH AUGUST 2012 AT 11.30 HOURS AT THE MILL PREMISES OF SAMBANDAM SPINNING MILLS LIMITED IN KAMARAJ NAGAR COLONY, SALEM 636 014

IN ATTENDANCE :

CHAIRMAN AND MANAGING DIRECTOR	: Sri R. Selvarajan
JOINT MANAGING DIRECTOR	: Sri S. Vijay Shankar
DIRECTORS	: Sri S. Devarajan : Sri S. Sivakumar : Sri V. Mahadevan : Sri P.S. Ananthanarayanan : Dr. V.Gopalan : Sri N. Asoka
AUDITORS	: Sri N.Krishnen
MEMBERS IN PERSON	: 256
MEMBERS BY PROXY	: 83

Sri R. Selvarajan, Chairman and Managing Director of the Company occupied the chair and invited the members and the proxies present at the Meeting.

After ascertaining the quorum present, Chairman announced the commencement of the proceedings of the 36th Annual General Meeting of the Company, calling the meeting to order.

With the permission of the members present, notice of this Annual General Meeting was taken as read.

Sri R.Krishnen, partner, M.S.Krishnaswami & Rajan, statutory auditors read the Auditors' Report to the members.

Chairman delivered his speech on the performance of the Company during the year 2011-12 and the prospects for the current financial year. He then invited queries from members on the audited accounts of the Company. The Queries raised by the members were answered by the Chairman.

Then the Resolution for adoption of accounts was taken up.



Contd.....2

Mr. K.S. Balasubramaniam, a member from Coimbatore and Mr.S. Sivasankaran, a member from Salem shared their views about the textile industry's present situation and their appreciation of the Company's efforts to tide over the crisis arising out of the present situation of uncertain price conditions in the cotton and yarn markets.

Then the Resolution for adoption of accounts was taken up.

1. ADOPTION OF ACCOUNTS :

Sri A. Karunanithi a member proposed the following resolution for adoption of accounts for the year ended March 31, 2012, as an Ordinary Resolution:

"Resolved that the audited Balance Sheet of the Company as at March 31, 2012, Profit and Loss account and the Cash Flow Statement for the year ended on that date and the report of the directors and the Auditors thereon be received, considered and adopted."

It was seconded by Sri K.S.Balasubramanian, a member. On being put to vote, the Resolution was carried unanimously.

Chairman declared that the Resolution was duly passed.

2. REAPPOINTMENT OF RETIRING DIRECTOR – SRI P.S. ANANTHANARAYANAN:

Sri P. Shanmugasundaram, a member proposed the following Resolution as an Ordinary Resolution:

"Resolved that Sri P.S. Ananthanarayanan, Director who retires by rotation at this meeting, being eligible for reappointment, be and is hereby reelected as a Director of the Company."

It was seconded by Sri B.V.Venkateswaran, a member. On being put to vote, the Resolution was carried unanimously.

Chairman declared that the Resolution was duly passed.

3. REAPPOINTMENT OF RETIRING DIRECTOR – Dr. V. GOPALAN

Sri S.Karthikeyan, a member proposed the following Resolution as an Ordinary Resolution:

"Resolved that Dr. V.Gopalan, Director who retires by rotation at this meeting, being eligible for reappointment, be and is hereby reelected as a Director of the Company."



Contd.....3

It was seconded by Sri. K.V.Sivashankar, a member. On being put to vote, the Resolution was carried unanimously.

Chairman declared that the Resolution was duly passed.

4. APPOINTMENT OF AUDITORS :

Sri P. Shanmugasundaram, a member proposed the following resolution as an Ordinary Resolution

"RESOLVED that, pursuant to Section 224 of the Companies Act, 1956, M/s. M.S.Krishnaswami & Rajan, Chartered Accountants 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 on such remuneration and terms as may be determined by the Board of Directors of the Company."

It was seconded by Sri K.S. Balasubramaniam, a member. On being put to vote, the Resolution was carried unanimously.

Chairman declared that the Resolution was duly passed

5. SPECIAL BUSINESS :

Reappointment and Payment of Remuneration to Sri R.Selvarajan, Chairman and Managing Director :

Sri.A.Karunanithi, a member proposed the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded for reappointment of Sri R. Selvarajan, Chairman and Managing Director of the Company, for a period of three years from 1.10.2012 to 30.09.2015 on the following terms and conditions recommended by the Remuneration Committee and approved by the Board of Directors of the Company as set out in the Explanatory Statement annexed hereto.

It was seconded by Sri. S.Shankar, a member. On being put to vote, the Resolution was carried unanimously.

Chairman declared that the Resolution was duly passed.



Contd.....4

Reappointment and Payment of Remuneration to Sri S.Vijay Shankar, Joint Managing Director :

Sri.S.Balasekar, a member proposed the following Resolution as a Special Resolution:

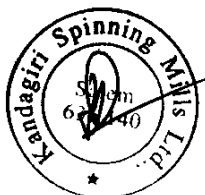
"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded for reappointment of Sri S. Vijay Shankar, Joint Managing Director of the Company, for a period of three years from 1.10.2012 to 30.09.2015 on the following terms and conditions recommended by the Remuneration Committee and approved by the Board of Directors of the Company as set out in the Explanatory Statement annexed hereto.

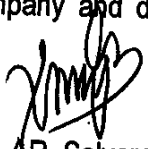
It was seconded by Sri Ravichandran E.D., a member. On being put to vote, the Resolution was carried unanimously.

Chairman declared that the Resolution was duly passed.

Chairman thanked the members for their unstinted support to the Company and declared the meeting closed.

PLACE: SALEM
DATE : 13-08-2012




(R. Selvarajan)
Chairman