

KANDAGIRI SPINNING MILLS LIMITED

SALEM

PROCEEDINGS OF THE 38TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON SUNDAY THE 28TH SEPTEMBER 2014 AT 11.30 HOURS AT THE MILL PREMISES OF SAMBANDAM SPINNING MILLS LIMITED IN KAMARAJ NAGAR COLONY, SALEM 636 014

DIRECTORS PRESENT

SRI R. SELVARAJAN	: CHAIRMAN AND MANAGING DIRECTOR
SRI S. VIJAY SHANKAR	: CHIEF FINANCIAL OFFICER & DIRECTOR
SRI S.DEVARAJAN	: DIRECTOR
DR V. GOPALAN	: DIRECTOR
SRI P.S ANATHANARAYANAN	: DIRECTOR
SRI N. ASOKA	: DIRECTOR

IN ATTENDANCE

MS. J. ASIFA	: COMPANY SECRETARY
SRI R.KRISHNEN	: M/s. M.S.KRISHNASWAMI & RAJAN, STATUTORY AUDITORS
SRI S.SOLAIYAPPAN	: SCRUTINIZER (Practising Company Secretary)
SRI K.M.KRISHNAMURTHY	: M/s S. MAHADEVAN & Co COST AUDITORS
MEMBERS IN PERSON	: 358
MEMBERS BY PROXY	: 81

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 38th Annual General Meeting of the Company, calling the meeting to order.

The Statutory Register, Proxy register and the inspection documents were available for inspection.

Chairman delivered his speech on the performance of the Company during the year 2013-14 and the prospects for the current financial year. With the permission of the members, the Notice, Directors' Report and the Auditor's Report was taken as read as it was already circulated to all members.

Thereafter comments and queries on the Balance Sheet and Statement of Profit & Loss Account of the Company and all other Agenda Items of the notice were invited from the members. No query was raised from the members of the Company.



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ELECTRONIC VOTING AND POSTAL BALLOT

The Company Secretary informed the shareholders about E- voting and postal ballot as under:

- Pursuant to the provisions of section. 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company had provided e-voting facility to the members to cast their votes electronically on all resolutions set forth in the notice convening the 38th AGM. The e-voting commenced on September 22, 2014 at 9.15 a.m. and ended on September 24, 2014 at 6.30 p.m.
- As per the terms of clause 35B of the Listing Agreement, those Members, who do not have access to e-voting facility provided by the Company for the AGM , the Company had provided the option of voting through postal ballot to send their assent (FOR) or dissent (AGAINST). And the last date for the receipt of duly filled postal ballot form was fixed as September 24, 2014 upto 6.30 p.m.
- Mr. S. Solaiyappan, Practising Company Secretary was appointed as Scrutinizer by the board to scrutinize both E-voting and postal ballot process in a fair and transparent manner and the Scrutinizer has submitted his report (in a sealed envelope) on e-voting and postal ballot to the Chairman.

RESULTS OF E-VOTING AND POSTAL BALLOT

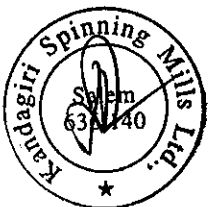
Chairman informed that as per the provisions of the Companies Act, 2013, Companies who had provided e-voting facility are not required to pass the resolutions by show of hands. On the basis of the Scrutinizer report, the Chairman thereafter declared the results of the voting casted through electronic means and postal ballot for the following resolutions set out in the notice convening the 38th AGM as under:

ORDINARY BUSINESS

ITEM NO:1 ADOPTION OF FINANCIAL STATEMENTS – ORDINARY RESOLUTION
RESOLVED THAT the Audited Balance Sheet as at 31st March, 2014 together with the Statement of Profit and Loss for the year ended on that date together with the notes annexed thereto and the reports of the Directors and the Auditors thereon be and are hereby received, considered and adopted.

ITEM NO:2 APPOINTMENT OF SRI S. DEVARAJAN, DIRECTOR RETIRING BY ROTATION – 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. Devarajan holding DIN 00001910, Director retiring by rotation at this AGM be and is hereby re-appointed as non-executive director of the Company.



ITEM NO:3 APPOINTMENT OF STATUTORY AUDITORS – ORDINARY RESOLUTION

“RESOLVED THAT, pursuant to the provisions of section 139(2) and other applicable provisions, if any, of the Companies Act 2013 and the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. M.S.Krishnaswami & Rajan, Chartered Accountants (Firm registration No.01554S) be and they are hereby re-appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting for the financial year 2014-15 on a remuneration of Rs.3,70,000/- (Rupees Three Lakhs and Seventy 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 NO:4 APPROVAL FOR CONTINUATION OF SRI R. SELVARAJAN AS CHAIRMAN AND MANAGING DIRECTOR – SPECIAL RESOLUTION

“RESOLVED THAT pursuant to the provisions of Section 196 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any amendment thereto or enactment thereof for the time being in force) consent be and is hereby accorded for the continuation of Sri R. Selvarajan as Chairman and Managing Director on the existing terms and conditions for his remaining period i.e., up to 30.09.2015, as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.”

ITEM NO:5 APPOINTMENT OF SRI P.S. ANATHANARAYANAN AS A NON-EXECUTIVE INDEPENDENT DIRECTOR – ORDINARY RESOLUTION

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri P.S. Anathanarayanan (holding DIN 00001759), 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 in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this AGM till the conclusion of the 43rd AGM of the Company”.

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ITEM NO:6 APPOINTMENT OF DR V. GOPALAN AS A NON-EXECUTIVE INDEPENDENT DIRECTOR - ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. V. Gopalan (holding DIN 00018602), 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 in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this AGM till the conclusion of the 43rd AGM of the Company".

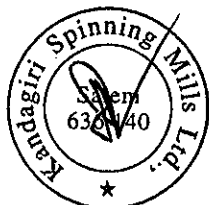
ITEM NO:7 APPOINTMENT OF SRI N. ASOKA AS A NON-EXECUTIVE INDEPENDENT DIRECTOR- ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri N.Asoka (holding DIN 00127155), 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 in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this AGM till the conclusion of the 43rd AGM of the Company".

ITEM NO:8 APPOINTMENT OF SRI S.GNANASEKHARAN AS A NON-EXECUTIVE INDEPENDENT DIRECTOR - ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri S.Gnanasekharan (holding DIN 06796817), 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 in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this AGM till the conclusion of the 43rd AGM of the Company".

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ITEM NO:9 APPOINTMENT OF SRI KAMESHWAR M. BHAT AS A NON-EXECUTIVE INDEPENDENT DIRECTOR - ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri Kameshwar M. Bhat (holding DIN 06951906), who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this AGM till the conclusion of the 43rd AGM of the Company."

ITEM NO:10 APPOINTMENT OF DR A. SARAYU AS A NON-EXECUTIVE DIRECTOR – ORDINARY RESOLUTION

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act 2013 (the Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr. A. Sarayu (holding DIN 06953362), and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing her candidature for the office of Director be and is hereby appointed as non-executive director of the Company.

ITEM NO:11 APPOINTMENT OF SRI M. RAJAMANI AS A NON-EXECUTIVE DIRECTOR – ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act 2013 (the Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri M. Rajamani (holding DIN 00001930), and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director be and is hereby appointed as non-executive director of the Company."

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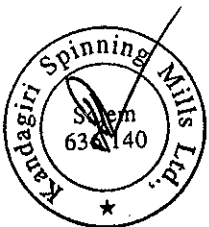
ITEM NO:12 AUTHORISING BOARD OF DIRECTORS FOR CREATION OF CHARGE/MORTGAGE ON THE PROPERTIES OF THE COMPANY – SPECIAL RESOLUTION

“RESOLVED THAT in supersession of the ordinary resolution passed at the 31st Annual General Meeting held on 6th July, 2007 and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof) to mortgage /pledge/hypothecate/ create charge on all the immovable and movable properties and all such assets of the company wherever situate, present and future and/or with power to enter upon and take possession of the assets of the company in certain events on such terms and conditions and at such time or times and in such form or manner as it may think fit, to or in favour of the financial institutions/banks for an aggregate nominal value not exceeding Rs.300,00,00,000/- (Rupees Three Hundred crores only) to secure the term loans together with interest, costs, charges, expenses and all other monies payable in the above connection in terms of the agreement entered or to be entered into between the company and the financial institutions/banks, such that the security ranks pari passu with, or second or subservient to, the mortgages/pledges/hypothecations/charges already created or to be created by the company or in such manner as may be agreed to by/between the parties concerned and as may be thought expedient by the Board.

RESOLVED FURTHER that the Board be and is hereby authorized to finalize and execute such documents, deeds, papers and writings for creating the aforesaid mortgages/pledges/hypothecations/charges and to do all such deeds and things as may be necessary or expedient for implementing this resolution.”

ITEM NO:13 AUTHORISING BOARD OF DIRECTORS FOR THE BORROWINGS – SPECIAL RESOLUTION

“RESOLVED that in supersession of the ordinary resolution passed at the 31st Annual General Meeting held on 6th July, 2007 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, such sums of money as the Board may deem fit for the purpose of the business of the company, notwithstanding that the moneys to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say , the reserves not set apart for any specific purpose, provided that the total amount up to which the monies may be borrowed by the Board of Directors of the Company shall not exceed the aggregate of the paid-up capital and free reserves of the company by more than a sum of Rs.300,00,00,000/- (Rupees Three Hundred Crores only) at any one time.



RESOLVED FURTHER that the Board be and is hereby authorised, on behalf of the Company, to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required, in its absolute discretion, pursuant to the above resolution."

ITEM NO:14 ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY – SPECIAL RESOLUTION

"RESOLVED THAT the Memorandum of Association of the Company be and is hereby amended by inserting the following clauses as clause 11A and clause 11B under III-B – **THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS**

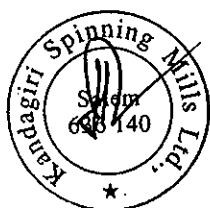
- 11 A To take or otherwise acquire and hold shares in any other Company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as to directly or indirectly to benefit the Company**
- 11 B To invest in the share capital of a new or existing Company or Companies or joint venture(s) for carrying out such activity or activities, at such time or times as considered appropriate by the Board of Directors of the Company.**

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such action as may be necessary to give effect to the above."

ITEM NO:15 ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY – SPECIAL RESOLUTION

"RESOLVED THAT the Articles of Association of the Company be and is hereby amended as specified hereunder:

- (a) The following article be added as Article 13 A after Article 13:
- 13A The Company may purchase its own shares in accordance with the provisions of section 68 and other applicable provisions if any of the Companies Act, 2013 and the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).**
- (b) The following article be added as Article 27A after Article 27:
- 27A An individual shall be appointed or reappointed to or hold the position of Chairman and also its Managing director or Chief Executive Officer (as the case may be) at the same time.**
- (c) The following article be added as Article 55 after Article 54:
- 55 Wherever reference to Sections, Schedules, Chapters, Tables, Rules and Regulations under the provisions of the Companies Act 1956 are quoted in this Articles of Association of the Company, the same are deemed to be substituted with the corresponding Sections, Schedules, Chapters, Tables, Rules and Regulations under the provisions of the Companies Act 2013 and the rules framed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force.**



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such action as may be necessary to record the above amendments in the Articles of Association of the Company."

ITEM NO:16 RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITORS – ORDINARY RESOLUTION

"RESOLVED THAT the remuneration of Rs.2,50,000/- (Rupees Two lakhs Fifty thousand only) payable for audit of cost accounts of the Company for the financial year ending 31st March 2015 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 NO:17 ACCEPTANCE OF FIXED DEPOSITS FROM THE MEMBERS OF THE COMPANY – 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(s) thereof for the time being in force) duly observing the procedure for accepting deposits from the members of the Company and within the limits prescribed thereunder.

DECLARATION OF RESULTS BY THE CHAIRMAN AT THE 38TH ANNUAL GENERAL MEETING HELD ON SUNDAY 28-09-2014

No. of Members voted electronically : 40
No. of Members voted through Ballot: 70
Invalid Ballot Papers received : 2

S.No	Resolution	Mode	Votes in		Total Shares	Votes Casted		Declaration of Result
			Favour	Against	Shares	% For	% Against	
1	Adoption of Financial Statements (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
2	Appointment of Sri. S. Devarajan, Director retiring by rotation (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	




3	Appointment of Statutory Auditors (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
4	Continuation of Sri. R. Selvarajan as Chairman and Managing Director (Special Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
5	Appointment of Sri. P.S.Ananthanarayanan as an Independent Director (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
6	Appointment of Dr. V.Gopalan as an Independent Director (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
7	Appointment of Sri N. Asoka as an Independent Director (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
8	Appointment of Sri. S. Gnanasekaran as an Independent Director (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
9	Appointment of Sri. Kameshwar M.Bhat as an Independent Director (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
10	Appointment of Dr. A. Sarayu as Non.Executive Director (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
11	Appointment of Sri M. Rajamaani as Non.Executive Director (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
12	Authorising Board of Directors for creation of Charge / Mortgage on the properties of the Company (Special Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	



13	Authorising the Board of Directors for the Borrowings (Special Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
14	Alteration of Memorandum of Association of the Company (Special Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
15	Alteration of Articles of Association of the Company (Special Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
16	Ratification of Remuneration payable to the Cost Auditor (Ordinary Resolution)	E - Voting	2617062	0	2617062	100	0	Resolution passed Unanimously
		Ballot	139981	0	139981	100	0	
		Total	2757043	0	2757043	200	0	
17	Acceptance of Deposits from members (Ordinary Resolution)	E - Voting	2617012	50	2617062	99.999	0.001	Resolution passed with Majority
		Ballot	139981	0	139981	100	0	
		Total	2756993	50	2757043	99.999	0.001	

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

PLACE: SALEM
DATE : 28-09-2014


(R. Selvarajan)
Chairman

