

KITEX GARMENTS LIMITED

MINUTES OF THE 23RD ANNUAL GENERAL MEETING
HELD AT THE REGISTERED OFFICE / FACTORY PREMISES OF THE COMPANY
AT BUILDING NO 9/536A, KIZHAKKAMBALAM, KOCHI – 683 562
ON THURSDAY, THE 4TH JUNE, 2015 AT 10.30 A.M.

Present

- | | |
|--|---|
| 1. Mr. Sabu M. Jacob | – Chairman & Managing Director |
| 2. Prof. E M Paulose | – Independent Director |
| 3. Mr.Benni Joseph | – Independent Director
& Chairman Audit Committee |
| 4. Mr. Liju V Rajan Kolath,
Partner, Kolath & Co. | – Independent Auditor |
| 5. Mr. P D Vincent | – Sr.Partner, SVJS & Associates
Scrutinizer for e-voting |
| 6. Mr. Boby Michael | – Chief Financial Officer |
| 7. Mr. A.Babu | – Company Secretary |
| 8. Members present in person | – 78 persons |
| 9. Corporate Members | – 16 Through Authorised Rep. |
| 10. Members present by proxy | – 6 proxies |

Mr.Sabu M Jacob being Chairman of the Board and with the consent of all members present chaired the meeting.

The Company Secretary informed that the following Registers/books/documents were laid on the table:

- a) Minutes Book of Annual General Meeting
- b) Register of Proxies with Proxy forms
- c) Register of Director's Shareholding
- d) Signed copies of Balance Sheet, Profit & Loss Account for the year ended 31.03.2015
- e) Directors' Report, Independent Auditors' Report, Cash Flow statement & Report on Corporate Governance, Secretarial Audit Report etc
- f) Notice convening the 23rd Annual General Meeting of the Company
- g) Eligibility letter u/s 141 of Companies Act 2013 from M/s.Kolath & Co
- h) Memorandum & Articles of Association
- i) Draft copy of the new Articles of Association

The Company Secretary mentioned that in compliance with the Companies Act, 2013, the Company had provided e-voting facility for the Members to vote electronically on all Resolutions set out in the Notice of the Meeting. The e-voting platform set up with NSDL was kept open from Monday, 1st June, 2015 (9.00 A.M) to 3rd June, 2015 (upto 5.00 P.M). Mr.P D Vincent Sr. Partner of M/s.SVJS & Associates, Practicing Company Secretaries, Kochi was appointed as the Scrutinizer to conduct the Ballot in a fair and transparent manner. The sequence of the proceeding of the Meeting was informed to the Members.

The empty Ballot Box was shown to the Membrs and was thereafter sealed and keys of the Box was handed over to the Scrutinizer in the presence of the Directors and Members. The box was placed at a convenient location near the dias by the Scrutinizer to enable the members to cast the votes.

The Company Secretary requested the Chairman to Address the meeting.

Mr.Sabu M Jacob, Chairman and Managing Director welcomed the members to the 23rd Annual General Meeting of the Company and called the meeting to order. He also introduced the Directors present at the meeting.



1. Notice

With the permission of members, Notice convening the 23rd Annual General Meeting was taken as read.

2. Auditors' Report

The report of Auditors to the members of the Company was read by Mr.A.Babu Company Secretary.

3. Chairman's Speech

After extending his warm greetings to the members, the Chairman pointed out, during the course of his speech, that the company achieved an all-time high performance both in turnover and in profit. The gross revenue touched Rs. 525 crores which is 15% more than last year's and the profit before depreciation and taxes recorded was Rs.162.99 crores which is also up by 73% compared to the previous year. The Earnings per share (EPS) of face value Re.1 increased from Rs. 12.08 to Rs. 20.74. The dividend has been recommended at 125% for the year, against 100% declared last year.

Your company operates in US market where 98% of our sales happen. The US retail market is very competitive and each year about 5 to 10% more departments /retail outlets are being opened. This will definitely reap better profitability on higher sales in the years to come. The infantwear growth is about 4% annually in US and on an average three stores being opened by top brands. Your company proposes to acquire a few more brands that will bring an additional revenues to the tune of about 5 to 10 billion USD annually and expects to touch an additional growth of about 50 billion USD by 2020. Your Company aspires to become FIRST in the World in INFANTWEAR APPAREL segment in the coming years. These should definitely bring better results in the coming years.

He further informed that the Company's shares are listed and regularly traded on Bombay Stock Exchange and National Stock Exchange and that the price is quoted on 1st June, 2015 was Rs.1006 per share in BSE as well as NSE. As on date there are about 18000 shareholders showing keen interest in your Company

4. Adoption of Directors' Report, Annual Accounts & Auditors' Report

The Chairman presented the Directors' Report, the audited Annual Accounts and the Auditors' Report for consideration and adoption by the members

With the consent of the members present, all the above documents were taken as read and Chairman, Mr.Sabu M Jacob(IN30089610501841) moved the following resolution:

"**RESOLVED** that the Directors' Report, the audited Annual Accounts consisting of the Profit & Loss Account for the year ended 31st March, 2015, the Balance Sheet as at that date and the Cash flow statements for the period under review along with schedules there to and the Independent Auditors' Report for the year ended 31st March 2015 be and are hereby adopted."

Mr.Akhilesh Agarwal representing M/s.Acumen Capital Market (India) Limited (DPIP No.IN30089610000617) seconded the resolution.

Mr. E.M.Paulose Director presented an appraisal of the activities and performance of the company.

During the discussion that followed, necessary clarifications were furnished to the members on

- Future growth of the Company
- Higher percentage of Dividend
- Market Share in Garments Sector in USA
- Factors that effect the quality of Infantswear supplied by the Company
- Plant utilization both in fabrics and processing



- Factory visit
- Corporate Social Responsibility

5. Declaration of Dividend

Proposed by: Mr. Gopinathan C K (1207620000000128)
 Seconded by: Mr. Sripada VB Pattabhi R (IN30290241228557)

"RESOLVED that the Dividend as recommended by the Board of Directors for the year ended 31.03.2015 at the rate of Rupee One and twentyfive paise per equity share of face value of Re 1 fully paid up, be and is hereby declared for payment to those shareholders whose names appear on the Register of Members as on the 4th Day of June, 2015."

6. Reappointment of Mr. K L V Narayanan as Director retiring by rotation

Proposed by : Mr.George Mambilly of Acumen Capital Market (India) Limited (IN30089610076253)
 Seconded by: Mr. T.S.Anantharaman (IN30089610000004)

RESOLVED that Mr. K L V Narayanan who is retiring by rotation, be and is hereby re-appointed as a Director liable to retire by rotation.

7. Reappointment of M/s. Kolath & Co. as Auditors

Proposed by: Mr. T.S.Anantharaman (IN30089610000004)
 Seconded by: Mr.Akhilesh Agarwal representing M/s.Acumen Capital Market (India) Limited (DPIP No.IN30089610000617)

RESOLVED

- that M/s Kolath & Co, Chartered Accountants, retiring auditors be and are hereby reappointed, as Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. and
- that the Board of Directors be and is hereby authorised to fix the remuneration of the Auditors on the recommendation of the Audit Committee.

8. Amendments to Articles of Association as per New Companies Act, 2013 – Special Resolution

Proposed by: Mr.George Mambilly of Acumen Capital Market (India) Limited (IN30089610076253)
 Seconded by: Mr. Jose Paul (1203280000017268)

"RESOLVED that pursuant to the provisions of Section 14, all other applicable provisions of the Companies Act, 2013 (Statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 35B of the Listing Agreements the new draft Articles as contained in the Articles of Association bearing article 1 to 218 replaced and/or modified in line with Section 5 read with table F of Schedule I be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER that the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."



9. Appointment of Prof.E.M Paulose as Independent Director for five year term w.e.from 12.01.2015 not liable to retire by rotation

Proposed by : Mr.Sabu M Jacob (IN1202990006449091)
Seconded by : Mr.Gopinathan K (IN30023913337725)

"RESOLVED that pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Prof..E.M.Paulose (DIN 03563106) (already an Independent Director as per previous listing agreement and appointed as a Director retiring by rotation at the 20th Annual General Meeting of the Company), who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director, pursuant to Section 160 be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from 12th January, 2015 upto 11th January, 2020 not liable to retire by rotation.

10. Appointment of Mr.Benni Joseph as Independent Director for five year term w.e.from 12.01.2015 not liable to retire by rotation

Proposed by : Mr.Sabu M Jacob (IN1202990006449091)
Seconded by : Mr. Jose Paul (1203280000017268)

"RESOLVED that pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr.Benni Joseph (DIN NO.01219476) (already an Independent Director as per previous listing agreement and appointed as a Director retiring by rotation at the 22nd Annual General Meeting of the Company) who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director, pursuant to Section 160 be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from 12th January, 2015 upto 11th January, 2020 not liable to retire by rotation.

Mr.Sabu M Jacob, Chairman of the meeting vacated the Chair as he was interested in the next resolution proposed to be taken up at the meeting and requested Prof. E.M Paulose to take up the Chair and conduct the meeting.

11.Re-appointment of Mr.Sabu M Jacob as Chairman & Managing Director for a period of five years w.e.from 16.08.2015 not liable to retire by rotation

Proposed By : Prof. E M Paulose (IN30023911545662)
Seconded by : : Mr.Gopinathan K (IN30023913337725)

"RESOLVED that pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act,2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014 and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the appointment of Mr. Sabu M Jacob (holding DIN 00046016) {who also holds the position of Chairman & Managing Director of Kitex Childrenswear Limited("KCL") without any remuneration and the consent of the Board of KCL already been recorded and conveyed by KCL to your



company} as Chairman & Managing Director of the Company for a term of five years starting from 16th August, 2015 to 15th August, 2020 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty and power to the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED further that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, power, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

Immediately after the above, Prof. E.M Paulose vacated the Chair and requested Mr.Sabu M Jacob to take up the Chair and conduct further proceedings in the meeting. Accordingly Mr.Sabu M Jacob, Chairman and Managing Director took over the Chair and proceeded with the next item on the Agenda.

12.Appointment of Ms.Sindhu Chandrasekhar as Whole-time Director designated as Woman Director liable to retire by rotation

Proposed by : Mr.Sabu M Jacob (IN1202990006449091)

Seconded by : Mr.George Mambilly of Acumen Capital Market (India) Limited (IN30089610076253)

"RESOLVED that pursuant to Sections 149, 152, 161, 196, and 197 and all applicable provisions of the Companies Act, 2013 read with Schedule V of the said act and subject to other approvals as are necessary, Mrs.Sindhu Chandrasekhar(holding DIN no:06434415) in pursuance to Section 160 be and is hereby appointed as a Whole-time Director designated as Woman Director of the Company for a period of five years from 16.03.2015 to 15.03.2020 on the remunerations and terms and conditions as set out in the explanatory statement annexed hereto and whose period of office of the Director shall be liable to determination by retirement of directors by rotation.

RESOLVED further that the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

13. Increase in Authorised Share Capital from Rs.5.00 crores to Rs.25.00 crores

Proposed by : Mr.Gopinathan K (IN30023913337725)

Seconded by : Mr. T.S.Anantharaman (IN30089610000004)

"RESOLVED THAT pursuant to the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the provisions of the Memorandum and Articles of Association of the Company, the existing Authorized Share Capital of the Company of Rs. 5,00,00,000 (Rupees five crores only) divided into 5,00,00,000 (Five crores only) Equity Shares of Re.1/- each (Rupee one only), be and is hereby increased to Rs.25,00,00,000 (Rupees Twenty five crores) comprising of 25,00,00,000 (twenty five crores only) Equity Shares of Re.1/- each (Rupee one only)

RESOLVED FURTHER THAT any one of the Directors of the Company and/or Company Secretary of the Company be and is hereby authorised to take all necessary action for giving effect to the above resolution and file relevant forms with the Registrar of Companies, as required under the provisions of the Companies Act, 2013".

14.Amendment of existing Clause V of Memorandum of Association consequent to increase in Share capital to Rs.25.00 Crores



Proposed by : Mr. Jose Paul (1203280000017268)
 Seconded by : Mr. Gopinathan C K (1207620000000128)

"RESOLVED THAT pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013, the existing Clause V of the Memorandum of Association of the Company relating to the Authorised Share Capital be amended and read as under:

V. The Share Capital of the Company is Rs.25,00,00,000 (Rupees Twentyfive crores only) comprising of 25,00,00,000 (Twentyfive crores only) Equity Shares of Re.1/- each (Rupee One only)".

Mr.A.Babu Company Secretary thereafter announced that the voting on the above Resolutions had commenced and requested the Members who had not cast their voting on the e-voting platform may cast their votes on the Resolutions by means of Polling sheets available with the Scrutinizer. He mentioned that the Scrutinizer and the Company Secretary would oversee the voting process. The Company Secretary informed that the results of the voting would be declared on or before 4.00 P.M on 6th June, 2015. The results would be communicated to both Bombay and National Stock Exchanges and will also be made available on the Company's website.

15.Vote of Thanks

Mr.George Mambilly of Acumen Capital Market (India) Limited (IN30089610076253) delivered vote of thanks to the Chair.

After thanking the members for their participation in the meeting, the Chairman declared the meeting was closed on completion of the voting process and terminated the meeting at 12.15 P.M .

16.Scrutinizer Report etc

After all the Members had cast their votes, the Scrutinizer took custody of the ballot box which was taken to the Administration Office of the Company. There the ballot box was opened by the Scrutinizer in the presence of two independent witnesses (One being a shareholder of the Company). The Ballot papers were thereafter scrutinized and entered in the Register maintained by the Scrutinizer for recording the physical ballots received.

A tally of the votes cast physically and votes cast electronically which were unblocked in 3rd June, 2015 after the close of the e-voting process in the presence of two independent witnesses were taken. Based on the tally of all votes which were cast, the scrutinizer prepared and submitted to the Chairman, his duly signed report on the results of the voting in form No. MGT-13. The results of the voting are as under:

Ordinary Resolution No.1: Adoption of Statement of Profit and Loss, Balance Sheet, Report of Directors and Auditors for the Financial year ended 31st march, 2015

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	3,18,61,934	100%	220	0%	3,18,62,154	100%	13,430	0.04%	3,18,75,585

Ordinary Resolution No.2 : Approval/Declaration of Dividend @ Rs.1.25/- per share of Re.1/- each to shareholders who hold the shares as on 4th June, 2015

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast



Total No.of Shares on voting	3,18,62,338	100%	10	0.00%	3,18,62,348	100%	13430	0.04%	3,18,75,778
------------------------------	-------------	------	----	-------	-------------	------	-------	-------	-------------

Ordinary Resolution No.3 : To Re-Appoint Mr. K.L.V.Narayanan Director who retires by rotation

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	3,18,59,863	99.99%	2,136	0.01%	3,18,61,999	100%	13,430	0.04%	3,18,75,429

Ordinary Resolution No.4: To Re-appoint the Independent Auditors and Fixing their remuneration for the financial year 2015-16

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	3,18,59,913	99.99%	2,086	0.01%	3,18,61,999	100%	13,430	0.04%	3,18,75,429

Special Resolution No. 5: To Amend Articles of Association as per new Companies Act, 2013

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	3,18,61,574	100%	230	0.00%	3,18,61,804	100%	13,430	0.04%	3,18,75,234

Ordinary Resolution No.6 : To Appoint Prof. E.M Paulose as Non-Executive Independent Director for a period of five years not liable to retire by rotation

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	3,18,59,802	99.99%	2,062	0.01%	3,18,61,864	100%	13,430	0.04%	3,18,75,294

Ordinary Resolution No.7 : To appoint Mr. Bemmi Joseph as Non-executive Independent Director for a period of five years not liable to retire by rotation

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	3,18,59,621	99.99%	2,097	0.01%	3,18,61,718	100%	13,430	0.04%	3,18,75,148


Initials

Ordinary Resolution No.8.: To Re-appoint Mr.Sabu M Jacob as Chairman & Managing Director for a period of five years not liable to retire by rotation

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	2,43,28,406	99.10%	2,21,883	0.90%	2,45,50,289	100%	13,430	0.05%	2,45,63,719

Ordinary Resolution No.9 : To appoint Mrs.Sindhu Chandrasekhar as Whole-time Director designated as Woman Director for a period of five years liable to retire by rotation

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	3,18,61,697	100%	282	0.00%	3,18,61,979	100%	13,430	0.04%	3,18,75,409

Ordinary Resolution No.10 : To increase the authorized capital of the Company from Rs.5.00 crores to Rs.25.00 crores

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	3,16,41,504	99.31%	2,20,900	0.69%	3,18,62,404	100%	13,430	0.04%	3,18,75,834

Ordinary Resolution No.11 : Amendment to Clause V of Memorandum of Association for increase in Authorised Capital

	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes cast
Total No.of Shares on voting	3,16,40,820	99.31%	2,21,160	0.69%	3,18,61,980	100%	13,430	0.04%	3,18,75,410

The aforesaid Resolutions were accordingly declared as having been passed with the requisite majority.

As per Clause 35A of the Listing Agreement, the Scrutinizer's Report along with the information required to be submitted to the Stock Exchanges have been uploaded on 6th June, 2015 and the Scrutinizer's report was also uploaded on the Company's website.



Sabu M. Jacob
Chairman & Managing Director

Place : Kizhakkambalam
Date: 10-06-2015

