

PRECOT MERIDIAN LIMITED

Proceeding of the Annual General Meeting of the Company held at

Venue: Chamber Hall, Chamber Towers, Avinashi Road, Coimbatore 641 018

Date : Friday, 20th September 2013

Time : 4.30 P.M.

Persons in the Dias

Mr D Sarath Chandran	Chairman
Mr Ashwin Chandran	Managing Director
Mr Prashanth Chandran	Executive Director
Mr Vijay Venkataswamy	Audit Committee Chairman
Mr A Ramkrishna	Independent Director
Mr C S Sathyanarayanan	Statutory Auditor (M/s Haribhakti & Co)

Members present in person : 65

By Proxy : 4

Commencement of the Meeting

The requisite quorum being present, the meeting commenced at 4.30 P.M.

Mr D Sarath Chandran, Chairman welcomed the Members, Directors and Statutory Auditors.

All the required statutory registers were placed in the meeting.

Notice of the meeting, the Directors report and the Auditors report

With the consent of all the members present, the notice convening the meeting and the Directors report and the Auditors report were taken as read.

Chairman's address

The chairman requested Mr Ashwin Chandran, Managing Director to brief the members on the performance of the company. Mr Ashwin Chandran addressed the members regarding overview of the textile industry, performance of the company, outlook for the current year, Exiting the Yarn dyed fabrics business and status on the new Technical textile unit at Hassan, Karnataka. The chairman clarified the queries raised by the members on operations of the company; the meeting proceeded to transact the business contained in the notice.

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For PRECOT MERIDIAN LIMITED**



**C. Murugesh(A 21787)
Company Secretary**

Ordinary Business

Item 1 Adoption of accounts, the directors report and the audit report

Resolution required: Ordinary

Proposed by : Mr R Ramesh

Seconded by : Mr Rajendran S

Resolved that the profit and loss account for the year ended 31st March 2013, the balance sheet as on that date and the reports of directors and auditors as laid before the members at this meeting be and are hereby approved and adopted.

Mode of voting: Show of hands

The resolution passed unanimously

Item 2 To declare a dividend

Resolution required: Ordinary

Proposed by : Mr R Chenthamarakshan

Seconded by : Mr S Kuppusamy

Resolved that a Dividend of ₹1 per share i.e 10% on 80,00,000 fully paid equity share capital of the company be and is hereby declared to be paid to those shareholders whose names appear on the Register of Members on 2nd September 2013 for those holding shares in the physical form. In respect of the shares held in dematerialised form on the basis of beneficial ownership as per details furnished by Depositories for this purpose at the end of the business hours on 30th August 2013.

Mode of voting: Show of hands

The resolution passed unanimously

Item 3 Re-appointment of Mr C N Srivatsan as a director of the company

Resolution required: Ordinary

Proposed by : Mr N G Krishnan

Seconded by : Mrs Lakshmi Krishnan

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Resolved that Mr C N Srivatsan who retires by rotation and being eligible for re-appointment be and is hereby re-elected as a director of the company.

Mode of voting: Show of hands

The resolution passed unanimously

Item 4 Re-appointment of Mr Vijay Mohan as a director of the company

Resolution required: Ordinary

Proposed by : Mr G Gopal

Seconded by : Mr V Dharmalingam

Resolved that Mr Vijay Mohan who retires by rotation and being eligible for re-appointment be and is hereby re-elected as a director of the company.

Mode of voting: Show of hands

The resolution passed unanimously.

Item 5 Re-appointment of Mr A Ramkrishna as a director of the company

Resolution required: Ordinary

Proposed by : Mr S Kiran Kumar

Seconded by : Mr K R Krishnamoorthy

Resolved that Mr A Ramkrishna who retires by rotation and being eligible for re-appointment be and is hereby re-elected as a director of the company.

Mode of voting: Show of hands

The resolution passed unanimously.

Item 6 Appointment of auditors

Resolution required: Ordinary

Proposed by : Mr Vijayan S

Seconded by : V Dilip

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Resolved that the Auditors M/s Haribakthi & Co, Chartered Accountants, Coimbatore be and are hereby appointed as the Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at an annual remuneration of ₹ 6.25 lacs plus actual expenses incurred by them in connection with the Audit. Service tax and any statutory levies would be payable as applicable.

Mode of voting: Show of hands

The resolution passed unanimously

Special business:

Item 7 Alteration of the Articles of Association

Resolution required: Special

Proposed by : Mr S Suresh Babu

Seconded by : Mrs Nirmala

Resolved that subject to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by inserting the following new Articles 39 & 40 after the existing Article 38.

- 39 Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves or any Capital Redemption Reserve Account or in the hands of the Company and available for dividends or representing premiums received on the issue of shares and standing to the credit of securities premium account be capitalized and distributed amongst such of the shareholders as bonus shares, which shall rank pari passu with the existing equity shares.
- 40 Subject to the provisions of Section 81(1A) and other applicable provisions, if any, of the Act and subject to the Articles of Association, the Board or a committee of the Board may, from time to time, create, offer and issue to or for the benefit of the employees including Directors and Whole-time directors of the Company and its subsidiaries such number of equity shares / bonds /equity warrants/options/any other security convertible or non-convertible of the Company, for subscription on such terms and conditions and at such price as may be determined by the Board or a Committee of the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking pari passu with the existing equity shares of the Company. All such issue as above are to be made in pursuance of Employees' Stock Option Scheme (ESOP) or Employees Stock Purchase Scheme (ESPS) to be drawn up and approved by the Board or a committee thereof.

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Company Secretary

Mode of voting: Show of hands

The resolution passed unanimously

Item 8 Increase in Authorised share capital

Resolution required: Ordinary

Proposed by : Mrs Visalakshi

Seconded by : Mr K Muthu

Resolved that pursuant to section 16, 94 and other applicable provisions if any, of the Companies Act, 1956 and pursuant to provision of the Articles of Association of the company, the consent of the company be and is hereby accorded to increase the Authorised capital of the Company from existing **Rupees Nine crores** divided into Ninety lacs equity Shares of Rs. 10/- each to **Rupees Twenty crores** divided into Two crores lacs equity shares of Rs. 10/- each by creation of further Rupees Eleven crores divided into One crore and Ten lacs equity shares of Rs 10/- each, and such new equity shares shall rank pari passu in all respects with the existing equity shares of the Company

Mode of voting: Show of hands

The resolution passed unanimously

Item 9 Alteration of the Memorandum of Association

Resolution required: Ordinary

Proposed by : Mr Shantha Mani

Seconded by : Mrs Nagammai

Resolved that the existing clause V of the Memorandum of Association of the Company be altered by substituting the same with the following clause V and the existing clause V shall always be deemed to have been substituted by the following:

“The Authorised Share Capital of the company is **Rupees Twenty crores** divided into Two crores equity Shares of Rs. 10/- each.

The company has power to increase or reduce the capital and with liberty to divide the capital into several classes and to attach there to respectively such preferential rights, privileges, or conditions in such manner as may be permitted by the Companies Act and as the company deems fit and necessary.”

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Mode of voting: Show of hands

The resolution passed unanimously

Item 10 Issue of Bonus shares

Resolution required: Special

Proposed by : Mrs Girija Ramakrishnan

Seconded by : Mr V Suguna

Resolved that in accordance with the provisions of the Companies act 1956 and the Memorandum and Articles of Association of the Company and subject to such consents and approvals as may be required and subject to the compliance with relevant guidelines issued by the Securities and Exchange Board of India (SEBI), the Companies Act 1956 and the Foreign Exchange Management Act, 1999, consent be and is hereby accorded to the Board of directors of the company ("the Board" which term shall be deemed to include any committee of the Board thereof) for capitalization of **Rupees Four crores** out of the amount standing to the credit of Securities Premium Account or any other permitted reserves / surplus of the company as on 31st March 2013, by issue of Forty lacs fully paid equity shares of the face value of Rs 10/- each as bonus shares to the holders of the existing equity shares of the Company, whose names appear on the Register of Members of the Company or whose names appear as the beneficial owners of the equity shares of the Company on the records of the Depositories as on 04th October 2013 (hereinafter referred to as the "Record Date") in the **proportion of One new equity share for every Two existing equity shares (1:2)** of the Company held by them, on the following terms and conditions:

1. That the new equity shares so allotted shall be treated as an increase in the nominal amount of the paid up capital of the Company held by each member and not as income.
2. That the new equity shares to be allotted as bonus shares will be allotted subject to the terms of the Memorandum and Articles of Association of the Company, and shall rank pari passu in all respects with and carry the same rights as the existing fully paid-up equity shares of the company and notwithstanding the date or dates of allotment thereof shall be entitled to participate in full in any dividend to be declared in respect of the financial year in which the allotment of the new equity shares pursuant to this resolution is made.
3. That the issue and allotment of the bonus shares in favour of non resident members of the Company shall be made in accordance with the guidelines issued by the Reserve Bank of India from time to time.
4. That in the case of shares held in dematerialized form, the intimation of allotment of the bonus shares shall be sent, while in case of shares held in physical form, share certificates shall be issued directly instead of allotment letter within the statutory time limit.

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Resolved further that the Board be and is hereby authorized:

1. To apply, for listing of the new equity shares issued as bonus shares along with the existing share capital of the Company to the National Stock Exchange where the Company's shares are listed / traded and to make an application to the depositories for crediting the Bonus shares to the individual depository accounts of the allottees;
2. To modify the terms and conditions, quantum and amount to be capitalized, and number of new equity shares to be allotted, relating to the aforesaid issue of bonus shares, if the circumstances so arise as would necessitate these and to settle all questions or difficulties that may arise with regard to the allotment and issue of the said new bonus equity shares in such manner as they shall determine in their absolute discretion.

Resolved further that as a result of implementation of this resolution, any member becoming entitled to any fraction of new equity shares to be allotted as Bonus shares, the company shall not issue any certificate or coupon in respect of such fractional shares, but the total number of such new equity shares representing such fractions shall be allotted by the Board to nominee to be selected by the Board, who would hold them as trustee for the equity share holders and such nominee will as soon as possible, sell such equity shares allotted to him at the prevailing market rate and the net proceeds of such shares after adjusting the cost and expenses in respect thereof be distributed among such members who are entitled to such fractions in the proportion of their respective holding and allotment of fractions thereof.

Resolved further that no allotment of bonus shares or distribution of proceeds in respect of fractions to non-resident Indian members will be made till requisite approval from the Reserve Bank of India is obtained by the Company

Resolved further that the Board be and is hereby authorized to prepare and file the necessary forms, documents, with Registrar of Companies and other authorities and to do all such acts, deeds and things as may be required or deemed necessary in this regard.

Mode of voting: Show of hands

The resolution passed unanimously

The chairman thanked the members and closed the meeting.

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