

SAMBANDAM SPINNING MILLS LIMITED

SALEM

MINUTES BOOK

PROCEEDINGS OF THE 40TH ANNUAL GENERAL MEETING OF THE COMPANY HELD
ON SUNDAY THE 28TH SEPTEMBER 2014 AT 10.30 A.M AT THE REGISTERED OFFICE
OF THE COMPANY IN KAMARAJ NAGAR COLONY, SALEM 636 014.

IN ATTENDANCE

CHAIRMAN AND MANAGING DIRECTOR	: Sri S.DEVARAJAN
JOINT MANAGING DIRECTOR	: Sri S.JEGARAJAN
JOINT MANAGING DIRECTOR	: Sri S.DINAKARAN
DIRECTORS	: Sri D.SUDHARSAN
	: Sri A.R. NATARAJAN
	: Sri P.S.ANANTHANARAYANAN
	: Dr. V.GOPALAN
	: Sri N.ASOKA
COMPANY SECRETARY	: Sri R.S.SHANMUGAM
CHIEF FINANCIAL OFFICER	: Sri D. NIRANJANKUMAR
CHIEF TECHNICAL OFFICER	: Sri J. SAKTHIVEL
AUDITORS	: CA R. KRISHNEN
	Partner, M.S.Krishnaswami & Rajan
SCRUTINIZER	: CS S.SOLAIYAPPAN,
	Practising Company Secretary
MEMBERS IN PERSON	: 277
MEMBERS BY PROXY	: 47

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

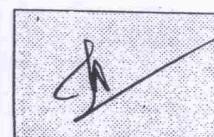
After ascertaining the quorum present, Chairman announced the commencement of the proceedings of the 40th Annual General Meeting (this AGM) of the Company, calling the meeting to order.

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 2013-14 and the prospects for the current financial year. He then invited queries from members on the audited annual accounts of the Company. No one raised any query. Then the Chairman proceeded with the business set out in the Notice of this AGM.

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CHAIRMAN'S
INITIALS

Chairman invited the attention of the members to the notes appended to the notice of this AGM and said, in accordance with the provisions of the Companies Act 2013 and the regulations applicable to listed Companies, members of the Company had been provided with the option of exercising their voting right through Electronic Voting (e-voting) in respect of all the seventeen resolutions stated in the Notice of this AGM by entering into an agreement with the Central Depository Services (India) Limited (CDSL) and the Company's Registrars and Share Transfer Agents (RTA) – Cameo Corporate Services Ltd., Chennai. Chairman said, the RTA had uploaded all the seventeen resolutions in the CDSL's e-voting Website to enable the members as on the cut-off date i.e. 14.8.2014 to exercise their voting right and CDSL enabled the e-voting facility for three days commencing from 9.15 am on Monday 22nd September 2014 till 6.30 pm on Wednesday, 24th September 2014. He also said, for the benefit of the members who could not access to electronic voting, ballot papers were attached to the Notice of this AGM sent to all the members as on the cut-off date and such members had the option to exercise their voting right in respect of all the seventeen resolutions stated in the AGM Notice and send the ballot papers to the Scrutinizer, CS S.Solaiyappan till 6.30 pm on Wednesday, 24.09.2014.

Chairman also informed the members that for the purpose of scrutinizing the e-voting and the postal ballot voting, CS S.Solaiyappan, Practising Company Secretary was appointed by the Board of directors of the Company to scrutinize the e-voting from the CDSL Website and the ballot papers received by him at his address and submit his report thereon. CS S.Solaiyappan was duly authorised by CDSL to download the e-voting exercised by the members of the Company. CS S.Solaiyappan had scrutinized the e-voting and the ballot papers received by him till 6.30 pm on 24.9.2014 and submitted his report on the result of the voting by the members of the Company. His report stated that thirty four members holding 23,79,210 shares had exercised their voting right by electronic means (e-voting) and thirty members holding 37,964 shares had exercised their voting right through ballot papers.

Chairman then proceeded to read out the result of the e-voting and the postal ballot voting from the Report of the Scrutinizer in respect of each one of the Resolutions mentioned in the notice of this AGM.

Resolution No.1 - ADOPTION OF FINANCIAL STATEMENTS

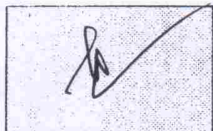
RESOLVED THAT the Audited Balance Sheet as at 31st March 2014 together with the Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors and the Auditors thereon be and are hereby received, considered and adopted.

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously.

Resolution No. 2 - DECLARATION OF DIVIDEND

RESOLVED THAT dividend of rupees two per equity share of rupees ten each be declared for the financial year ended 31st March 2014 and that the same be paid, only if approved by the Company's bankers, out of the profits of the Company for the financial year ended 31st March 2014 to those shareholders whose names appear in the Register of Members as on 28th September 2014 in the case of members holding shares in physical form and to the beneficial holders of the dematerialised shares as on 28th September 2014 as per the details provided by Central Depository Services (India) Limited and National Securities Depository Limited in the case of the shares held in electronic form.

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CHAIRMAN'S
INITIALS

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously. Chairman hastened to add that even though the resolution for payment of dividend was passed, payment of dividend @ 20% is subject to the approval of the Company's bankers. As such dividend warrants could be prepared and sent to the members only if the proposal is approved by the Company's bankers and after getting such approval. He said, management had been taking all steps necessary to get the approval of the Company's bankers to pay the dividend.

Resolution No. 3 APPOINTMENT OF SRI D.SUDHARSAN, DIRECTOR RETIRING BY ROTATION

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 D.Sudharsan holding DIN 00018546, Director retiring by rotation at this AGM, be and is hereby re-appointed non-executive director of the Company.

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. However, he said, in accordance with the provisions of the Companies Act 2013 and the rules framed there under, votes cast by persons interested in the resolution had to be excluded. Accordingly interested persons' votes were excluded. Since there was no vote against the above resolution for reappointment of the retiring director Sri D.Sudharsan, Chairman declared that the above resolution was passed unanimously.

Resolution No.4 APPOINTMENT OF STATUTORY AUDITORS

"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 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 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.4,25,000/- (Rupees four lakhs and twenty five 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.

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously.

Resolution No. 5 RATIFICATION OF THE REMUNERATION PAYABLE TO COST AUDITORS

"RESOLVED THAT the remuneration of Rs.2,25,000 payable for audit of cost accounts relating to the Spinning Division and Rs.25,000 payable for audit of cost accounts relating to the Wind Mill Division 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."

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CHAIRMAN'S
INITIALS

"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."

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously.

Resolution No. 6 APPOINTMENT OF SRI P.S.ANANTHANARAYANAN, INDEPENDENT DIRECTOR

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, 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 P.S.Ananthanarayanan holding DIN 00001759, 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 an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of this AGM till the conclusion of the 45th AGM of the Company.

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously.

Resolution No. 7 APPOINTMENT OF Dr.V.GOPALAN, INDEPENDENT DIRECTOR

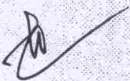
RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act 2013 (the Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr.V.Gopalan holding DIN 00018602, 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 an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of this AGM till the conclusion of the 45th AGM of the Company.

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously.

Resolution No. 8 APPOINTMENT OF SRI N.ASOKA, INDEPENDENT DIRECTOR

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, 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 N.Asoka, holding DIN 00127155, 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 an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of this AGM till the conclusion of the 45th AGM of the Company.

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CHAIRMAN'S
INITIALS

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously.

Resolution No. 9 APPOINTMENT OF SRI S.GNANASEKHARAN, INDEPENDENT DIRECTOR

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, 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 S.Gnanasekharan, holding DIN 06796817, 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 an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of this AGM till the conclusion of the 45th AGM of the Company.

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously.

Resolution No. 10 APPOINTMENT OF SRI KAMESHWAR M.BHAT, INDEPENDENT DIRECTOR

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, 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 Kameshwar M. Bhat, holding DIN 06951906 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 an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of this AGM till the conclusion of the 45th AGM of the Company.

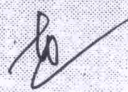
Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously.

Resolution No.11 APPOINTMENT OF SMT.S.ABIRAMI, NON-EXECUTIVE DIRECTOR

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, 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) Smt.S.Abirami, holding DIN 06953377 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 non-executive director of the Company, liable to retire by rotation.

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. However, he said, in accordance with the provisions of the Companies Act 2013 and the rules framed there under, votes cast by persons interested in the resolution had to be excluded. Accordingly interested persons' votes were excluded.

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CHAIRMAN'S
INITIALS

Since there was no vote against the above resolution for appointment of Smt.S.Abirami as a non-executive and non-independent director, Chairman declared that the above resolution was passed unanimously.

Resolution No. 12 APPOINTMENT OF SRI A.R.ANNAMALAI, NON-EXECUTIVE DIRECTOR

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, 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 A.R.Annamalai holding DIN 1449585, 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 non-executive director of the Company, liable to retire by rotation.

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. However, he said, in accordance with the provisions of the Companies Act 2013 and the rules framed there under, votes cast by persons interested in the resolution had to be excluded. Accordingly interested persons' votes were excluded. Since there was no vote against the above resolution for appointment of Sri A.R.Annamalai as a non-executive director, Chairman declared that the above resolution was passed unanimously.

Resolution No. 13 APPROVAL OF BORROWING LIMITS OF THE COMPANY

"RESOLVED THAT in super session of the earlier resolution passed in this regard and pursuant to the provisions of Section 180 (1) (c) 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 thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (which includes a duly constituted Committee of the Board) to borrow from financial institutions, banks and other lenders from time to time such sum or sums of money/s in Indian rupees or in foreign currency, notwithstanding that the money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) whether secured or unsecured as the Board or the Committee may deem fit for the purposes of the business of the Company may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, that the total amount so borrowed shall not exceed the aggregate of the paid up share capital and free reserves of the Company by more than Rs.300 Crores (Rupees Three Hundred Crores only)".

Chairman informed the Members that as stated in the Scrutinizer's report, 23,76,710 votes were cast in favour of the resolution by e-voting; 2500 votes were cast against the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution by postal ballot. Chairman read out from the Scrutinizer's Report that 99.9% of the votes were cast in favour of the resolution and 0.10% of the votes were cast against the resolution. Therefore, Chairman declared that the above resolution was passed as a SPECIAL RESOLUTION with requisite majority.

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CHAIRMAN'S
INITIALS

Resolution No. 14 CREATION OF SECURITY ON THE PROPERTIES OF THE COMPANY

"RESOLVED THAT in super session of the earlier resolution passed in this regard and pursuant to the provisions of Section 180 (1) (a) 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 thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (which includes a duly constituted Committee of the Board) for mortgaging and/or charging the whole or any part of the undertaking including 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 properties / 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 the Board may think fit, to or in favour of the financial institutions, banks and/or other lenders concerned with such ranking and at such time and on such terms as the board of directors of the Company may determine for an aggregate nominal value not exceeding Rs.300 Crores (Rupees Three Hundred crores only) over and above the aggregate of the paid up share capital and free reserves of the Company for securing any borrowing including 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/ other lenders, such that the security ranks pari passu with, or second or subservient to, the mortgage and/or charges already created or to be created by the Company or in such manner and in such form as may be agreed upon by/between the parties concerned and as may be thought expedient by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the lenders such documents, deeds, papers and writings for creating the aforesaid mortgages and/or charges and to do all such acts, deeds and things as may be necessary or expedient for giving effect to this resolution."

Chairman informed the Members that as stated in the Scrutinizer's report, 23,76,710 votes were cast in favour of the resolution by e-voting; 2500 votes were cast against the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution by postal ballot. Chairman read out from the Scrutinizer's Report that 99.90% of the votes were cast in favour of the resolution and 0.10% of the votes were cast against the resolution. Therefore, Chairman declared that the above resolution was passed as a SPECIAL RESOLUTION with requisite majority.

Resolution No. 15 AMENDMENT OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

"RESOLVED THAT the Memorandum of Association of the Company be and is hereby amended by inserting the following as clause 40A after clause 40 under III-B - THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:

- 40A To invest in the share capital of 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."

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously as a SPECIAL RESOLUTION.

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CHAIRMAN'S
INITIALS

Resolution No.16 AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY

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

- (a) the following article be added as Article 10A after Article 10 :
10A 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 reenactment thereof for the time being in force.
- (b) the following article be added as Article 33A after Article 33 :
33A Managing Director of the Company may also be the Chairman of the Board of Directors of the Company.
- (c) the following article be added as Article 77 after Article 76:
77 Wherever reference to the Sections, Schedules, Tables, Rules and Regulations under the provisions of the Companies Act 1956 are quoted in the Articles of Association of the Company, the same are deemed to be substituted with the corresponding Sections, Chapters, Schedules, Tables, Rules and Regulations under the provisions 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.

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."

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously as a SPECIAL RESOLUTION.

Resolution No. 17 ACCEPTANCE OF DEPOSITS FROM MEMBERS OF THE COMPANY

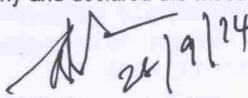
RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to accept deposits from the members of the Company in accordance with the provisions of Section 73(2) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment 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 therefor.

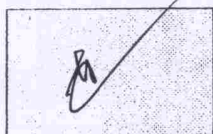
"RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Chairman informed the Members that as stated in the Scrutinizer's report, 23,79,210 votes were cast in favour of the resolution by e-voting and 37,964 votes were cast in favour of the resolution by postal ballot and there was no vote against the above resolution. Therefore, Chairman declared that the above resolution was passed unanimously.

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

PLACE: SALEM
DATE : 28-09-2014


(S. Devarajan)
Chairman



CHAIRMAN'S
INITIALS