



SRI KANNAPIRAN MILLS LIMITED

CIN : U17111TZ1946PLC000188

Registered Office: Post Bag No. 1, Sowripalayam, Coimbatore 641 028

Phone 0422 - 2351111 : Fax 0422 - 2351110

Email: csd@kannapiran.co.in Website : www.kannapiran.co.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the postponed 73rd Annual General Meeting of the Members of Sri Kannapiran Mills Limited will be held on Friday the 24th July 2020 at 10.00 AM through Video Conferencing (VC) to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the audited financial statements including Balance Sheet as at 31st March 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.K G Balakrishnan (DIN: 00002174), who retires by rotation and being eligible offer himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr MNagarajan, Cost Accountant, appointed as Cost Auditor by the Board of Directors of the Company, as recommended by the Audit Committee to conduct the audit of the cost records of the Company for the financial year ending 31st March 2020 on a remuneration of Rs.65,000/- (Rupees Sixty Five Thousand only) plus applicable taxes and re-imburement of travelling and out of pocket expenses incurred by them for the purpose of audit be and are hereby ratified and confirmed.

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

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
RESOLVED THAT pursuant to Section 196, 197, 198, 203 & 178 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) the consent of the Company be and is hereby accorded to the appointment of Mr.A.Velusamy (DIN: 00002204) as the Whole Time Director of the Company for a period three years with effect from 1st March 2020 upon the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their respective meetings held on 28th February 2020

1. Salary : Rs. 18,00,000 per annum.
2. Perquisites: in addition to the above salary the Whole Time Director is entitled to the following perquisites:
 - i) Expenditure for medical treatment, leave travel concession, personal accident insurance premium, Company's contribution to Provident Fund to the extent it is not taxable under the Income Tax Act, 1961. Gratuity and Encashment of leave at the end of tenure as per the rules of the Company.
 - ii) a. shall be entitled to reimbursement of all actual expenses including entertainment and traveling incurred in the course of the Company's business.
b. The Company shall provide a car with driver and telephone facility at the residence of the Whole time Director. Provision of car with driver for use on the Company's business and telephone facility at the residence will not be considered as perquisites.

Personal long distance calls on the telephone and use of car for private purposes shall be billed by the Company to the Whole time Director.

FURTHER RESOLVED THAT the salary and perquisites mentioned above shall be the minimum remuneration payable to the Whole Time Director in the absence or inadequacy of profits in the financial year.

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

By Order of the Board
For SRI KANNAPIRAN MILLS LIMITED
Sd/-
KG BALAKRISHNAN
Chairman
DIN : 00002174

Coimbatore
24.06.2020

NOTES:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. Members may note that the Company has already dispatched the Annual Report for the financial year 2018-19 through registered post on 20.03.2020.
3. In view of the massive outbreak of the COVID-19 pandemic, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting (AGM) through video conferencing (VC) or other audio-visual means (OAVM). Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, prescribing the procedures and manner of conducting the Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM). In terms of the said Circulars, the postponed 73rd Annual general meeting (AGM) of the members will be held through video conferencing (VC) or other audio-visual means (OAVM). Hence Members can attend and participate in the AGM through VC/OAVM. Members desirous of participating in the meeting through VC/OAVM, may refer to the procedure to be adopted as mentioned in Serial No.20 below.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to mrIn54@gmail.com with copies marked to the Company at csd@kannapiran.co.in and to its Registrars and Share Transfer Agents at investor@cameoindia.com
5. In compliance with the aforesaid MCA Circulars, Notice of the postponed 73rd AGM to be held on 24th July 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of the AGM and Annual Report for the financial year 2018-19 is also available on the Company's website www.kannapiran.co.in Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by sending an email to csd@kannapiran.co.in and investor@cameoindia.com
6. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 18th July 2020 to 24th July 2020 (both days inclusive).
8. Pursuant to Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the application for transfer of shares held in physical form will not be processed except in the case of transmission / transposition with effect from 2nd October 2018. Accordingly, members who intend to transfer their shares shall get such shares dematerialised before transfer. The Company has

entered into agreements with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) and shares of the Company are eligible for dematerialisation under I S I N : I N E 5 6 7 M 0 1 0 1 5. Accordingly, the Company /the Registrar and Share Transfer Agent (RTA) namely Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai 600 002 shall not be able to entertain any request for transfer of shares in physical form.

9. a) Members are requested to notify immediately any change of address:
 - i. to their Depository Participants (“DPs”) in respect of the shares held in electronic form, and
 - ii. to the Company or its RTA, in respect to the shares held in physical form together with a proof of address viz, Aadhar/Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc.
- b) In case the registered mailing address is without the Postal Identification Number Code (“PIN CODE”), Members are requested to kindly inform their PIN CODE immediately to the Company / RTA/DPs.
10. As per the provisions of Section 72 of the Act, facility for making nominations is now available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the RTA of the Company or can download the form from the Company's website namely www.kannapiran.co.in Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
11. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its RTA by quoting the Folio No or the Client ID No with DP ID No.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members may note that M/s.Gopalaiyer & Subramanian Chartered Accountants, the Statutory Auditors of the Company were appointed by the Shareholders at the - 71st Annual General Meeting (AGM) held on 21st September 2017 to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2022, subject to ratification by the shareholders at every AGM. However, the Ministry of Corporate Affairs vide notification dated 7th May, 2018 amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM. Hence, no resolution is being proposed for ratification of appointment of Statutory Auditors at this Annual General Meeting.
14. Brief resume, details of shareholding and Directors' inter-se relationship of Directors seeking election/re-election as required under Secretarial Standards 2, are provided as Annexure to this Notice.
15. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his / her queries to the Company seven working days prior to the meeting. The same will be replied by the Company suitably.
16. Soft copies the Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company. Members can inspect the same by sending a email to csd@kannapiran.co.in
17. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent (“RTA”)/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholders has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate, the following instructions to be followed:

- a) In case of shares held in physical form, kindly provide the required details to Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai 600 002 or Sri Kannapiran Mills Limited, Sowripalayam Coimbatore 641 028 (or)

- b) In the case of Shares held in Demat mode, the shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

18. VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) (including any statutory modification(s), clarifications, exemptions or reenactments thereof for the time being in force) and Secretarial Standard on General Meetings (SS - 2), the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the Annual General Meeting ("remote e-voting") using an electronic voting system provided by Link Intime India Private Limited ('LI IPL') as an alternative, for all members of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting. The instructions to e-voting explain the process and manner for generating/ receiving the password, and for casting of vote(s) in a secure manner. However, the Members are requested to take note of the following items

- i. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as of the cut-off date, i.e. 17th July 2020, may refer to this Notice of the Annual General Meeting, posted on Company's website www.kannapiran.co.in for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- ii. Members attending the meeting through VC shall be provided with the facility of voting through e-voting during the meeting. During this time, members who have not already cast their vote through remote e-voting may exercise their vote through the said modes at the meeting.
- iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM but shall not be entitled to cast their vote again.
- iv. The voting period begins on 21st July 2020 at 9.00 AM (IST) and ends on 23rd July 2020 at 5.00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 17th July 2020 may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.

The instructions for shareholders voting electronically are as under:-

EVENT NO : 200053

v Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)

- i) Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- ii) Click on "Login" tab, available under 'Shareholders' section.
- iii) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- iv) Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate / Allotment Advice): Your User ID is Event No + Folio No registered with the Company

v) Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at

least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). Y Members who have not updated their PAN with depository Participant or in the company record are requested to use the Sequence Number which is printed in the address column / shared to the Members
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or Folio No in dd/mm/yyyy format.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details (last 4 digits) as recorded in your demat account or in the company records for the said demat account or Folio No. Y Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If shareholders holding shares in Demat Form or Physical Form have forgotten password:

Click on Forget Password and enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v Cast your vote electronically

vi) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

vii) On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

viii) If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

ix) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to

vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

- x) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xi) You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

v General Guidelines for shareholders:

- i) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- ii) During the voting period, shareholders can login any number of times till they have voted on the resolution(s) for a particular "Event".
- iii) Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- iv) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us: - Tel: 022 - 49186000.

19. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- i. For physical shareholders - please provide necessary details like Folio No., Name of shareholder, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to csd@kannapiran.co.in or investor@cameoindia.com
- ii. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@cameoindia.com
- iii. The Company/Registrar and Share Transfer Agent shall co-ordinate to provide the login credentials to the above-mentioned shareholders

20. Instructions for Shareholders/Members desirous to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- a. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by LIPL by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 (Thirty) minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- b. Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with 2% or more shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 30 (Thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

- c. Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:
 - i) Open the internet browser and launch the URL for InstaMeet < <https://instameet.linkintime.co.in> > and register with your following details:
 - a. Demat Account No or Folio No.: Enter your 16 digit Demat Account No or Folio No registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
 - ii) Click "Go to Meeting"

Note:

- iii) Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- iv) Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- v) Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- vi) In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

21. Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

- i) Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at csd@kannapiran.co.in from 20th July 2020 at 9.00 a.m to 22nd July 2020 at 5.00 p.m
- ii) Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.
- iii) Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at csd@kannapiran.co.in. The same will be replied by the company suitably.
- iv) Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
- v) Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

22. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- i) On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
- ii) Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.

- iii) After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
- iv) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- v) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- vi) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

- i) Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.
 - ii) Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
 - iii) In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)
- v. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17th July 2020.
 - vi. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Annual General Meeting.
 - vii. The Company has appointed Sri.M.R.L Narasimha, (CP No: 799) Company Secretary in Practice , as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - viii. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing the remote e-voting facility.
 - ix. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes casted during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kannapiran.co.in and on the website of LIPL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

By Order of the Board

For SRI KANNAPIRAN MILLS LIMITED

Sd/-

KG BALAKRISHNAN

Chairman

DIN : 00002174

Coimbatore
24.06.2020

STATEMENT PURSUANT TO THE PROVISIONS OF THE SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of Mr M Nagarajan, Cost Accountant, as Cost Auditor to conduct the audit of the cost records of the company for the financial year ending 31st March 2020. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out in Item No. 3 of the notice for ratification of the remuneration of the Cost Auditor for the financial year 2019-20.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the above resolution.

Item No.4

Mr.A.Velusamy was the Whole Time Director of KG Fabriks Limited and was in-charge of management of its day to day affairs. Consequent to the merger of KG Fabriks Limited (the Transferor Company) with the Company, and as per the Clause 12 of the Scheme of Amalgamation sanctioned by NCLT, Chennai, the Board of Directors of the Company have appointed Mr.A.Velusamy as Whole Time Director of the Company with effect from 1st March 2020 for a period of three years for the management of the day to day affairs of the Company on the terms and conditions as set out in the resolution.

Mr. A.Velusamy is a graduate in Science and Law having more than 35 years of experience in textile and yarn business. He was looking after financial and administrative functions of the Transferor Company. He was associated with the KG group companies for several years and has been instrumental in the management and growth of the different divisions of the company.

Pursuant to Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee & Audit Committee at their meetings held on 28th February 2020 recommended / approved the appointment of Mr.A.Velusamy as Whole Time Director of the Company for a period three years with effect from 1st March 2020 and determined his remuneration as set out in the resolution and recommended the same to the Board, which the Board has duly approved.

Pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the appointment of Mr.A.Velusamy as Whole Time Director of the Company shall be subject to the approval of the shareholders of the Company in the Annual General Meeting. Hence necessary resolution has been set out in Item No. 4 of the Notice for the approval of the members.

The details as required under Schedule V of the Companies Act, 2013 and brief bio-data of Mr.A.Velusamy and other disclosures as per Secretarial Standards 2 are furnished and forms part of this Notice. The Board recommends the resolution set out in Item No. 4 of the Notice for the approval of the members.

Except Mr.A.Velusamy, being the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No. 4 of the Notice for approval of the Members. The Explanation together with accompanying notice may be treated as an abstract of the Terms of Appointment of Mr.A Velusamy as Whole Time Director pursuant to the provisions of Section 190 of the Companies Act, 2013.

THE INFORMATION REQUIRED TO BE DISCLOSED IN TERMS OF SCHEDULE V TO THE COMPANIES ACT, 2013

I. GENERAL INFORMATION	
1. Nature of Industry	Textiles – spinning, weaving, processing of denim and industrial fabrics
2. Date of commencement of commercial production	October, 1950
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions in the prospectus	Not applicable
4. Financial performance based on given indicators	The financial performance of the Company for 2017-18 and 2018-19 are provided in the Annual Report 2019.
5. Foreign investments or collaborations, if any	Nil
II. INFORMATION ABOUT THE APPOINTEE	
Background details:	Mr A Velusamy is a Graduate in Science and Law and has been in the textile industry for nearly three decades spanning over trading, spinning, weaving, processing, garmenting and retailing operations. He has been closely associated with planning, implementation and follow up on new, expansion and diversification projects with detailed exposure to various functional areas viz., production, human resource, administration, commercial, legal, banking, financial and liaison with trade and governmental agencies. He was Whole Time Director of erstwhile KG Fabriks Limited which was merged with the Company. He is a Director in K G Denim Limited, K G B Securities and Investments Private Ltd., Trigger Apparels Limited and Anandhi Power Limited.
Past remuneration:	Rs.11,00,000 per annum
Recognition or awards	-
Job profile and his suitability	Mr A Velusamy is a graduate in Science and Law and has nearly 3 decades of practical experience in the setting up and management of textile units. He was Whole Time Director of KG Denim Limited for 10 years and KG Fabriks Limited for 6 years.
Remuneration proposed	Details of proposed remuneration are presented in the resolution and also in the Statement under Section 102 of the Companies Act, 2013
Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration offered to Mr A Velusamy is at par with the industry norms considering the nature of the industry, size of the company, profile and position of the person.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any	Besides the remuneration he does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION	
Reasons of loss or inadequate profits	Not applicable as the Company has earned profits during the year
Steps taken or proposed to be taken for improvement production	The Company is continuously taking various cost control measures which would result in increased profitability in the ensuing years.
Expected increase in productivity and profits in measurable terms	Not applicable
IV. DISCLOSURE	
i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc., of all the directors.	Not applicable
ii) Details of fixed component and performance linked incentives along with the performance criteria.	Not applicable
iii) Service Contracts, notice period, severance fees and	Not applicable
iv) Stock option details if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Not applicable

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT IN TERMS OF SECRETARIAL STANDARD - 2 (SS-2) ON "GENERAL MEETINGS" ISSUED BY ICSI, IS GIVEN HEREUNDER

Name	Mr.K G Balakrishnan	Mr.A.Velusamy
DIN	00002174	00002204
Date of Birth	06.03.1940	11.05.1956
Date of appointment on the Board	07.08.1971	26.12.1996
Inter-se relationship with other directors or Key Managerial Personnel of the Company	He is related to Dr.G Bakthavathsalam, Mr.B Sriramulu and Mr.B Srihari, Managing Directors of the Company.	He is not related to any of the Directors or Key Managerial Personnel of the Company
Qualification	B.Com., B.L.,	Graduate in Science and Law
Experience/ Expertise in functional areas	Mr KG Balakrishnan has been in the textile industry for nearly five decades spanning over trading, spinning, weaving, processing, garmenting and retailing operations. He has been closely associated with planning, implementation and follow up on new, expansion and diversification projects with detailed exposure to various functional areas viz., production, human resource, administration, commercial, legal, banking, financial and liaison with trade and governmental agencies.	Mr. A.Velusamy is having more than 35 years of experience in textile and yarn business. He was looking after financial and administrative functions of the Transferor Company. He was associated with the KG group companies for several years and has been instrumental in the management and growth of the different divisions of the company.

No. of shares held	1454575	1050
Board position held	Director	Director
Terms and conditions of appointment / re-appointment	Liable to retire by rotation	He is proposed to be appointed as Whole Time Director of the Company on the terms and conditions as specified in Item No. 4 of the Notice.
Remuneration sought to be paid	Sitting Fee Rs.5,000/- per meeting	Rs. 18,00,000 per annum
Remuneration last drawn	Sitting Fee of Rs.25,000/-	The remuneration last drawn by him as Whole Time Director of KG Fabriks Limited for management of the operational undertakings which have since been vested in the Company consequent to merger is Rs.12.02 lakhs
Number of Board meetings attended	5	5
Directorships held in other companies	K G Denim Limited Sri Balamurugan Textile Processing Limited Trigger Apparels Limited Anandhi Power Limited K G B Securities and Investments Private Limited KGB Education Foundation Ramhari Orchids LLP	K G Denim Limited Trigger Apparels Limited Anandhi Power Limited K G B Securities and Investments Private Limited.
Chairmanship / Membership of the Committees of the Board of other Companies in which he is Director	Executive Chairman K G Denim Limited	