INDO COUNT INDUSTRIES LTD.

Regd. Office: Village Alte, Taluka Hatkanangale, Dist. Kolhapur, 416 109

CERTIFED TRUCE COPY OF THE MINUTES OF EXTRA-ORDINARY GENERAL MEETING OF INDO COUNT INDUSTRIES LTD HELD ON SATURDAY, THE 26TH MARCH 2011 AT 12.00 NOON, AT THE REGISTERED OFFICE OF THE COMPANY AT VILLAGE ALTE, TALUKA HATKANANGALE, DIST. KOLHAPUR 416 109

PRESENT:

Mr. Anil Kumar Jain – Chairman & Managing Director

Mr. R.N. Gupta – Jt. Managing Director

Mr. Kamal Mitra – Director (Works)

Mr. R. Sundaram – President (Finance) & Co. Secretary

23 Members in person and 2 proxies and 4 Authorised Representatives were present.

CHAIRMAN

Mr. Anil Kumar Jain took the chair in accordance with Regulation No. 94 of the Articles of Association of the Company.

QUORUM

After ascertaining that the necessary quorum was present, the Chairman called the meeting to order.

DIRECTORS' SHAREHOLDING AND OTHER DOCUMENTS

The Chairman announced that the Register of Directors' Shareholding pursuant to section 307 of the Companies Act, 1956, was open for inspection by the Members.

PROXY/AUTHORISED REPRESENTATIVE

The Chairman informed the Members that 10 valid proxies for 202,76,190 Shares were received by the Company representing 57.14% of the Paid Up Capital of the Company, including 4 authorized representatives of 9 companies representing 201,14,720 Shares, i.e. 56.69% of the Paid Up Capital of the Company.

NOTICE OF THE MEETING

With the consent of the Members present, the Chairman took the Notice of the convening the Meeting as read.

ADDRESS BY THE CHAIRMAN

While addressing the Members, the Chairman recalled that in the year 2008-09, Company had taken pre-emptive steps to restructure its debt under CDR System, due to adverse Cash Flow caused by the slow down in demand for Textile Products.

The Members were further informed that as per CDR Scheme, promoters are required to bring Rs 9.00 Crore towards Promoters' contribution and accordingly the Promoters' have brought Rs 3.25 Crores during the Financial Year i.e 2008-09 and Rs 3.25 Crore during Financial Year i.e. 2009-10 and that the funds so infused have been converted in to Equity Shares at a price determined as per the SEBI guidelines in this regard.

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The balance contribution of Rs 2.50 Crore has been brought and subject to necessary permission, the same will be converted into Preference Shares.

The Chairman also informed the Members that the performance of the Company for the 9 months ended 31-12-2010 is satisfactory, however, the cotton prices have increased phenomenally, which likely to impact margins of the Company.

Thereafter the following business as per agenda was transacted at the meeting.

ITEM NO. 1: TO CONSIDER ALLOTMENT OF PREFERENCE SHARES ON PREFERENTIAL BASIS

Mr. Anil Kumar Jain proposed the following Resolution as a Special Resolution which was seconded by Mr. A. G. Halasangi.

"RESOLVED THAT in accordance with the provisions of the Sections 80 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approval, permission, consent and sanction as may be necessary from the Government of India (GOI), the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and/or any other competent authorities and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements, entered into by the Company with the Stock Exchanges, and in accordance with the guidelines issued by the GOI, RBI, SEBI and/or any other competent authorities and clarifications thereof, issued from time to time, and subject to all such other approval, permission, consent and sanction, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such permission, approval, consent and sanction, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee constituted/to be constituted by the Board for exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, 25,00,000 Preference Shares of Rs 10/- each for cash at par aggregating Rs 2.50 Crore to M/s Tozai Enterprises Pvt. Ltd., a Promoters' Associate, on a preferential basis,

The Chairman invited clarification of the Members present on the CDR Package and performance of the Company during current Financial Year, the same were replied to the satisfaction of the members.

Thereafter the Chairman put the Resolution to vote by show of hands and declared that the same was passed unanimously.

ITEM NO. 2: TO CONSIDER REVISION IN THE REMUNERATION OF MR. ANIL KUMAR JAIN

Mr. N. D. More proposed the following resolution at Item No. 2 of the Notice of the meeting as an Ordinary resolution which was seconded by Mr. P. D. Patil.

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 and 349 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded for payment of Remuneration to Mr. Anil Kumar Jain, as Chairman and Managing Director with effect from 01-04-2011 to 30-09-2013, upon such terms and conditions as set out in the Explanatory Statement herein, with authority to the Remuneration Committee /Board of Directors (herein after referred to as "The Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the remuneration within the limits specified in Schedule XIII to the Companies Act, 1956, including any Statutory Modification or Re-enactment thereof, for the time being in force or any amendments



and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Anil Kumar Jain.

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

Thereafter the Chairman put the Resolution to vote by show of hands and declared that the same was carried unanimously.

ITEM NO. 3: TO CONSIDER REVISION IN THE REMUNERATION OF MR. R. N. GUPTA

Mr. S. T. More proposed the following resolution at Item No. 3 of the Notice of the meeting as a special resolution which was seconded by Mr. B. N. Terdale.

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded for payment of Remuneration to Mr. R. N. Gupta, as Joint Managing Director with effect from 01-01-2011 to 30-09-2013, upon such terms and conditions as set out in the Explanatory Statement herein, with authority to the Remuneration Committee /Board of Directors (herein after referred to as "The Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the remuneration within the limits specified in Schedule XIII to the Companies Act, 1956, including any Statutory Modification or Re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. R. N. Gupta.

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

The Chairman put the resolution to vote by show of hands and declared that the same was carried nem con.

ITEM NO. 4: TO CONSIDER REVISION IN THE REMUNERATION OF MR. KAILASH R LALPURIA

Mr. B. N Tiwari proposed the following resolution at Item No. 4 of the Notice of the meeting as an Ordinary resolution which was seconded by Mr. J. B. Magdum.

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded for payment of Remuneration to Mr. K. R. Lalpuria, as Executive Director with effect from 01-01-2011 to 30-09-2013, upon such terms and conditions as set out in the Explanatory Statement herein, with authority to the Remuneration Committee /Board of Directors (herein after referred to as "The Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the remuneration within the limits specified in Schedule XIII to the Companies Act, 1956, including any Statutory Modification or Re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. K.R. Lalpuria.



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

The Chairman put the resolution to vote by show of hands and declared that the same was carried unanimously.

ITEM NO. 5: TO CONSIDER REVISION IN THE REMUNERATION OF M/S UNIC CONSULTANTS

Mr. V. S. Upadhye proposed the following resolution at Item No. 5 of the Notice of the meeting as an Special resolution which was seconded by Mr. H. M. Chopade.

"RESOLVED THAT in accordance with the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 as amended fro time to time, M/s Unic Consultant, a proprietary concern owned by Mr. Mohit Kumar Jain, son of Mr. Anil Kumar Jain, the Chairman and Managing Director, be and is hereby appointed as **"Marketing Consultant"** for a period of 3 years on a revised remuneration detailed as under:-

1. Rs 75,000/- p.m. for the first year i.e. 01-01-2011 to 31-12-2011.
2. Rs 1, 00,000/- p.m. for the second Year i.e. 01-01-2012 to 31-12-2012.
3. Rs 1, 50,000/- p.m. for the third Year i.e. 01-01-2013 to 31-12-2013.

Subject to approval of Shareholders and the Central Government and any such other approvals as may be necessary for the time being in force.

RESOLVED FURTHER THAT the aforesaid remuneration is exclusive of out of pocket expenses which are to be reimbursed on actual basis."

The Chairman put the resolution to vote by show of hands and declared that the same was carried nem con.

ITEM NO. 6: TO CONSIDER CREATION OF MORTGAGE

Mr. K. G. Khot proposed the following resolution at Item No. 6 of the Notice of the meeting as an Special resolution which was seconded by Mr. R. R. Kulkarni.

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of provisions of section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging (by way of second charge, as has been agreed to between the Company and the Lenders) by the Board of Directors of the Company, of all the immoveable and movable properties of the Company, present and future, wheresoever situate, and the whole of the undertaking of the Company, in favour of Security Trustees/Security Agent/Banks, on behalf of the following banks to secure the additional working capital facilities granted/to be granted detailed as under:-

Sr. No.	Name of the Bank	Amount Rs in Crore
1.	Bank of India	15.24
2.	Bank of Baroda	7.62
3.	Canara Bank	15.56
4.	Union Bank of India	27.08
	TOTAL	**65.50**

on such terms and conditions and in such form and in such manner as the Board of Directors of the Company may decide in the interest of the Company with full power and authority to the Board of Directors to do all such acts, deeds and things as may be necessary to implement this resolution."

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The Secretary then proposed a vote of thanks to the Chair.

CLOSURE

The Chairman thanked the members for being present and declared the meeting as closed, since all the business as proposed in the Notice convening the meeting was taken up and transacted.

FOR INDO COUNT INDUSTIRES LTD

SHARAD MOKASHI
DY. COMPANY SECRETARY