

**MINUTES OF THE PROCEEDINGS OF 49th ANNUAL GENERAL MEETING OF
SURYALAKSHMI COTTON MILLS LIMITED HELD AT "TRIVENI" KAMAT
LINGAPUR HOTEL,1-10-44/2, CHIKOTI GARDENS, BEGUMPET,
HYDERABAD 500016
ON SATURDAY, 29TH SEPTEMBER, 2012 AT 10.30 A.M.**

PRESENT

Sri L.N.Agarwal	Chairman and Managing Director
Sri. Paritosh Kumar Agarwal	Managing Director
Sri R.S. Agarwal	Director
Sri R.Surender Reddy	Director

and 160 members were present in person and 78 members by proxy. The Company Secretary welcomed the members to the 49th Annual General Meeting of the Company and invited the Directors to occupy the seats on the dais.

The Register of Proxies and the Register of Directors shareholding were placed before the meeting. The Chairman declared that the meeting was in order as the required quorum was present. The notice convening the meeting was taken as read with the permission of the members present, and the Company Secretary read the Auditors' Report. The Chairman delivered his speech outlining the general economic condition in the country, the Company's results for the year 2011-2012 and future prospects of the Company and the Textile Industry. The Chairman requested the members to take up the business of the meeting and proceeded to take up the items as per the Notice.

1. **Adoption of Balance Sheet as on 31st March, 2012 and Profit and Loss Account for the year ended 31st March, 2012 along with Directors' Report and Auditors' Report thereon.**

The following resolution was proposed as an ordinary resolution by Sri L.N.Agarwal, Chairman and seconded by Mr. B. Ramasubba Reddy.

"RESOLVED THAT the Balance Sheet as on 31st March, 2012 and Profit and Loss Account for the year ended 31st March, 2012 along with Directors' Report and Auditors' Report be and are hereby received, considered and adopted."

The Chairman invited questions on accounts and furnished the replies thereon.

The resolution was put to vote and no vote being cast against it on a show of hands, the Chairman declared it to have been passed unanimously.

2. Declaration of Dividend on Preference Shares.

The following resolution was proposed as an ordinary resolution by Mr. C S R K N Sarma and seconded by Mr. D V K Rao.

"**RESOLVED THAT** the dividend on 0.1% Cumulative Redeemable Preference Shares as recommended by the Board of Directors for the year ended 31st March, 2012 be and is hereby paid to those shareholders whose names appear in the Register of Preference Shareholders as on 29th September, 2012."

The resolution was put to vote and no vote being cast against it on a show of hands, the Chairman declared it to have been passed unanimously.

3. Declaration of Dividend on Equity Shares.

The following resolution was proposed as an ordinary resolution by Mr. G.V. Nageshwar and seconded by Mrs. Sushma B Choudhary.

"**RESOLVED THAT** a dividend @ 25% on the paid-up Equity Share Capital of the Company as recommended by the Board of Directors for the year ended 31st March, 2012 be and is hereby paid to those shareholders whose names appear in the Register of Members as on 29th September, 2012.

The resolution was put to vote and no vote being cast against it on a show of hands, the Chairman declared it to have been passed unanimously.

4. To appoint a Director in place of Sri R. Surender Reddy who retires by rotation.

The following resolution was proposed as an ordinary resolution by Mrs. Vijayalaxmi and seconded by Mr. Y S V S N A Ramakrishna.

"**RESOLVED THAT** , Sri R. Surender Reddy, Director, who retires by rotation be and is hereby appointed as a Director of the Company liable to retire by rotation."

The resolution was put to vote and no vote being cast against it on a show of hands, the Chairman declared it to have been passed unanimously.

5. To appoint a Director in place of Sri N.L. Tibrewal who retires by rotation.

The following resolution was proposed as an ordinary resolution by Mr. G. Manohar rao and seconded by Mr.B. Rama Subba Reddy.

"**RESOLVED THAT** Sri N.L. Tibrewal, Director, who retires by rotation be and is hereby appointed as a Director of the Company liable to retire by rotation."

The resolution was put to vote and no vote being cast against it on a show of hands, the Chairman declared it to have been passed unanimously.

6. To appoint Auditors and fix their remuneration.

The following resolution was proposed as an ordinary resolution by Mrs. D.R. Malathi and seconded by Mr. P V B Sarma.

“RESOLVED THAT M/s. Brahmayya and Co., Chartered Accountants, Hyderabad be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors of the Company plus reimbursement of out of pocket expenses actually incurred by them for conducting the statutory audit for the said period.”

The resolution was put to vote and no vote being cast against it on a show of hands, the Chairman declared it to have been passed unanimously.

The resolution was put to vote and no vote being cast against it on a show of hands, the Chairman declared it to have been passed unanimously.

7. To consider and if thought fit, to pass the following resolution with or without modification(s) as a special resolution.

The following resolution was proposed as a special resolution by Mr. S. K. Agarwal and seconded by Ms. M. Durgamani.

“RESOLVED THAT in supersession of the Resolution passed by the Members in the 48th Annual General Meeting held on 29.09.2011 and subject to the provisions of sections 198, 255, 269, 309, 314 and other applicable provisions if any of the Companies Act, 1956 read with schedule XIII thereof as amended upto date, and the consent of the Term Lenders, the consent of the Company be and is hereby accorded to the appointment of Sri H.L. Ralhan as a Director liable to retirement by rotation and to revision in the remuneration payable to Sri H.L.Ralhan as Director and Chief Executive -Denim Division for the remaining period of the term of his employment i.e. from 01.04.2012 to 29.01.2016 as under:

- a) Basic Pay and Allowances at Rs.2,31,000/- per month.
- b) Medical reimbursement and Leave Travel Allowance as per Company's rules.

In addition to the above Sri H.L.Ralhan shall be entitled to the following perquisites.

CATEGORY - A

- i) contributions by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- ii) Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.

CATEGORY - B

- i) the company shall provide a Car with driver and a telephone at the residence.
- (ii) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

"RESOLVED FURTHER THAT Sri H.L. Ralhan when reappointed as a Director immediately on retirement by rotation, shall continue to hold his office of Director and Chief Executive , Denim Division and such reappointment shall not be deemed to constitute a break in his appointment as Director & Chief Executive, Denim Division.

"RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any year Sri H.L. Ralhan be paid the above remuneration as minimum remuneration subject to provisions of Paragraph 1(A) of Section II, Part II of Schedule XIII of the Companies Act, 1956."

The resolution was put to vote and no vote being cast against it on a show of hands, the Chairman declared it to have been passed unanimously.

ITEM NO. 8

TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION :

The following resolution was proposed as a special resolution by Mrs. Sushma B Choudhary and seconded by Mr. Radhakrishna.

"RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves that the Register of Members, the index of members and copies of Annual Returns along with the copies of certificates and documents or any or more of them, required to be annexed thereto under Section 160 and 161 of the said Act, be kept at the office of the Company's Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited, Plot

No 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, with effect from 1st October, 2012 instead of being kept at the Registered Office of the Company.”

“RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this resolution.”

The resolution was put to vote and no vote being cast against it on a show of hands, the Chairman declared it to have been passed unanimously.

The meeting terminated with a vote of thanks by the Company Secretary.

Sd/-

**L.N. AGARWAL
CHAIRMAN AND MANAGING DIRECTOR**