

PROCEEDINGS OF THE SIXTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SALONA COTSPIN LIMITED HELD ON THURS DAY, THE 13th SEPTEMBER 2010 AT 10.30 A.M AT S.F.NO.74/12 & 75/3 PUNGAMPALLI VILLAGE, VALLIPALAYAM POST, SATHY (T.K), PERIYAR DIST, TAMILNADU.

DIRECTORS PRESENT:

- | | |
|------------------------------|--------------------------------------|
| 1. Sri Shyamlal Agarwala | - Managing Director |
| 2. Sri Manoj Kumar Jhajharia | - Joint Managing Director |
| 3. Sri G.V.S. Desikan | - Director, Audit Committee Chairman |
| 4. Sri S.P.Sekar | - Director |
| 5. Sri Mahesh Agarwal | - Director |

MEMBERS:

Members Present in person 23 No. Of shares 1705298
Members Present by proxies 35 No. Of shares 2087577

Quorum being present, the meeting which was called to order, commenced with prayer.

Sri Shyamlal Agarwala, Managing director of the company was elected as chairman of the meeting.

Sri Shyamlal Agarwala formally extended a warm welcome to the members, introduced his colleagues on the Board.

The chairman announced that the Register of Directors and Registers of Members were on the table and available for inspection by the members during the meeting.

With the permission of the members, the notice convening the meeting, Director's report and the Audited Balance Sheet as at 31.03.2010 and the Profit and Loss Account for the year ended 31.03.2010 along with the related Schedules were taken as read.

Sri V.S. Srinivasan, Chartered Accountant, Partner, M/s V.K.S. Aiyer and Coy, Auditors of the Company read the Auditor's Report of the Company's Audited Accounts for the year ended 31st March, 2010 and it was noted that there were no clarification in the Auditor's Report.

The chairman then invited the members to seek clarification, if any, on the Audited Accounts. After answering the question raised, the following resolutions were taken up for the approval of the members

ITEM NO.1

The Resolution is proposed by Sri Shyamlal Agarwala and seconded by: Sri G.V.S. Desikan

"RESOLVED THAT the Profit and Loss Account for the year ended 31st March 2010, the Balance Sheet as on that date, Reports of the Directors and Auditors thereon, as laid before the members of the meeting be and are hereby adopted".

The resolution was passed unanimously.

ITEM NO.2

The Resolution is proposed by Sri Mahesh Agarwal seconded by Sri.M.S.Selvaraj

"RESOLVED THAT Dividend @ Rs.1 per share to the Equity Shareholders of the company be and hereby declared".

The resolution was passed unanimously.

ITEM NO.3

The Resolution is proposed by Sri G.V.S. Desikan seconded by Sri.Arunkumar Jhajharia

"RESOLVED THAT Sri. Mahesh Agarwal, who retires by rotation and who is eligible for reappointment, be and is hereby re-appointed as Director of the Company".

The resolution was passed unanimously.

ITEM NO.4

The Resolution is proposed by Sri G.V.S. Desikan and seconded by Sri Manojkumar Jhajharia

"RESOLVED THAT Sri. S.P.Sekar, who retires by rotation and who is eligible for reappointment, be and is hereby re-appointed as Director of the Company".

The resolution was passed unanimously.

ITEM NO.5

The Resolution is proposed by Sri Mahesh Agarwal and seconded by Smt.Krishna Agarwal

"RESOLVED THAT M/s. VKS Aiyer & Coy, Chartered Accountants be and are hereby appointed as Auditors of the Company from the conclusion of this meeting till the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the audit committee and approved by the Board of Directors besides reimbursement of their out of pocket and such other incidental expenses".

The resolution was passed unanimously.

ITEM NO.6

The Resolution is proposed by G.V.S.Desikan and seconded by Sri.Arun khetan

RESOLVED THAT approval of Shareholders of the Company be and is hereby accorded for the reappointment of Sri Shyamlal Agarwala as Managing Director of the Company for a further period of Five years with effect from 1st April 2010 and in consideration of his services as Managing Director, Sri Shyamlal Agarwala shall be paid the following remuneration:-

I.SALARY: Rs.1, 00,000/= (Rupees One Lac only) per month.

II.PERQUISITES:

In addition to the salary, Sri Shyamlal Agarwala shall also be entitled to the following perquisites:-

- (a) Contribution to Provident and Superannuation Funds to the extent not taxable under the Income Tax Act, 1961
- (b) Gratuity at the rate of half a month salary for each completed year of service and
- (c) Encashment of leave at the end of tenure as per rules of the Company.

III.COMMISSION:

1% commission on the net profits of the Company, subject to the maximum ceiling specified in Section 309(3) of the Companies Act, 1956.

IV.OTHER PERQUISITES:

At the discretion of the Board of Directors up to a sum not exceeding annual salary i.e., Rs.12.00 Lacs (Rupees Twelve Lacs)

V.MINIMUM REMUNERATION:

ALSO RESOLVED THAT, the above salary and perquisites excepting commission, be paid as minimum remuneration in the event of loss or inadequacy of profits in any financial year, during the tenure of the appointee.

FURTHER RESOLVED THAT Sri Shyamlal Agarwala be and entrusted with all the powers of day to day management and administration of the business of the company, subject to the overall superintendence and control of the Board of Directors of the Company.

The resolution was passed unanimously

ITEM NO.7

The Resolution is proposed by Sri Mahesh Agarwal and seconded by Smt.Chitra Srinivasan

"RESOLVED THAT, in partial modification of the earlier resolution passed in this regard, approval of share holders of the Company be and is hereby accorded for the modification of remuneration payable to Sri Manoj Kumar Jhajharia, Joint Managing Director for the remaining tenure of office with effect from 1st April 2010 as detailed below:-

I.SALARY: Rs.90, 000/= (Rupees Ninety thousand only) per month.

II.PERQUISITES:

In addition to the Salary, Sri Manoj Kumar Jhajharia shall also be entitled to the following perquisites:-

- (a) Contribution to Provident and Superannuation funds to the extent not taxable under the Income Tax Act, 1961.
- (b) Gratuity at the rate of Half a month salary for each completed year of service, and
- (c) Encashment of leave at the end of tenure as per the rules of the Company.

III.OTHER PERQUISITES:-

At the discretion of the Board of Directors up to a sum not exceeding annual salary i.e., Rs.10.80 Lacs.(Rupees Ten Lacs and Eighty thousand only)

IV.MINIMUM REMUNERATION:-

ALSO RESOLVED THAT, the above salary and perquisites excepting commission, be paid as minimum remuneration in the event of loss or inadequacy of profits in any financial year, during the tenure of the appointee.

FURTHER RESOLVED THAT Sri Manojkumar Jhajharia, as Joint Managing Director, be entrusted with all powers for day to day administration of the business of the Company, subject to the overall supervision and control of the Managing Director of the Company and the Board of Directors of the Company.

The resolution was passed unanimously

With a vote of thanks to the chair, the meeting concluded.

PLACE: PUNGAMPALLI

DATE : 13.09.2010.

(sd).CHAIRMAN