

PROCEEDINGS OF THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF SALONA COTSPIN LIMITED HELD ON MONDAY, THE 29<sup>th</sup> SEPTEMBER 2014 AT 10.00 A.M AT THE REGISTERED OFFICE AT S.F.NO.74/12 & 75/3 PUNGAMPALLI VILLAGE, VALLIPALAYAM POST, SATHY (T.K), PERIYAR DIST, TAMILNADU.

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**DIRECTORS PRESENT:**

- |                             |                                      |
|-----------------------------|--------------------------------------|
| 1. Sri Shyamlal Agarwala    | - Managing Director                  |
| 2. Sri Manoj Kumar Jhaharia | - Joint Managing Director            |
| 3. Sri G.V.S. Desikan       | - Director, Audit Committee Chairman |
| 4. Sri Dhires Jayasi        | - Director                           |

**MEMBERS PRESENT:**

- |                                                     |     |
|-----------------------------------------------------|-----|
| (a) Individuals including Directors                 | - 3 |
| (b) Corporate Members through their representatives | -   |
| (c) Members represented by proxy                    | -23 |
| Total                                               | -26 |

**IN ATTENDANCE:**

Sri.V.S.Srinivasan, Chartered Accountant, Partner, M/s V.K.S. Aiyer and Coy, Auditors of the Company.

Sri.K.V.Murugan, Company Secretary.

Sri Shyamlal Agarwala, Chairman cum Managing director of the company took the Chair.

The quorum being present, the meeting commenced with Prayer.

Sri.Manoj Kumar Jhaharia, Joint Managing Director welcomed the members to the meeting.

The Chairman announced that the Register of Directors and Key Managerial Personnel and their Shareholding, Register of Contracts or arrangements in which Directors are interested and other documents contained in the notice of Twentieth Annual General Meeting were on the table and available for inspection of the members during the meeting.

With the permission of the members present, the notice convening the meeting, Director's Report, the annual financial statements for the year ended 31<sup>st</sup> March 2014 were taken as read. The Chairman informed the members that the Auditors Report did not contain any qualifications or observations. Accordingly, with the permission of the members the Auditors Report was taken as read.

The Chairman then addressed the members. He invited the members to offer their comments. Thereafter some of the members have spoken on the working of the Company. The Chairman thanked the members for their appreciation and comments on the working of the Company.

Thereafter, the Chairman stated as per the provisions of the Companies Act, 2013 and the rules made thereunder and Clause 35 of the Listing Agreement entered into with the stock exchanges, the Company had provided e-voting facility to the member and also Postal Ballot to those members who were unable to access e-voting facility to exercise their vote on all the resolutions set out in the notice of the 20<sup>th</sup> Annual General Meeting (AGM) of the Company. The e-voting commenced from 22<sup>nd</sup> September 2014 (9.00A.M) to 24<sup>th</sup> September 2014 (5.00 P.M.). He then stated that as per the provisions of the Act, all resolutions proposed in this AGM Notice shall be decided Postal Ballot and e-voting facility and not by Poll and by show of hands.

He further stated that Sri.G.Soundararajan, Practising Company Secretary was appointed as the Scrutinizers for the e-voting and postal ballot at the Board Meeting held on 25.07.2014. Sri.G.Soundararajan submitted his report on e-voting and Postal Ballot on 25.09.2014.

He briefly read out the businesses set out in the AGM Notice and declared the consolidated results of the e-voting and Postal Ballot at the AGM at 10.30 A.M.

He stated that the reports (e-voting and Postal Ballot) of the Scrutinizers shall be uploaded on the Company's website [www.salonagroup.com](http://www.salonagroup.com). He further stated that the results to be declared for each resolution would be intimated to Madras Stock Exchange Limited, The Calcutta Stock Exchange Association Limited and The Stock Exchange of Ahmadabad, where the shares of the Company are listed.

The following resolutions as set out in Item Nos. 1 to 8 in the Notice of the Twentieth Annual General Meeting of the Company have been duly passed with requisite majority as detailed below:

**ORDINARY BUSINESS:**

**ITEM NO.1 – ADOPTION OF ACCOUNTS:**

**RESOLVED THAT** the Profit and Loss Account for the year ended 31st March 2014, 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.

Voting details on the above resolution:

| Particulars | Number of |               |       | Number of Votes contained in |               |         | Percentage |
|-------------|-----------|---------------|-------|------------------------------|---------------|---------|------------|
|             | E-Votes   | Postal Ballot | Total | E-votes                      | Postal Ballot | Total   | %          |
| Received    | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Assent      | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Dissent     | 0         | 0             | 0     | 0                            | 0             | 0       | 0          |
| Total       | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |

The above Ordinary Resolution was passed with requisite majority.

**ITEM NO.2 – DIVIDEND TO EQUITY SHAREHOLDERS:**

**RESOLVED THAT** a Dividend of Rs.12/- per equity share of Rs.10/- each (120%) be and is hereby declared on the equity Share Capital of the Company for the financial year ended March 31, 2014 and that the same be paid to those members whose name(s) appear in the Register of Members of the Company as on 29<sup>th</sup> September 2014 and in respect of share held in dematerialized form, the dividend be paid on the basis of beneficial ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 22.09.2014..

Voting details on the above resolution:

| Particulars | Number of |               |       | Number of Votes contained in |               |         | Percentage |
|-------------|-----------|---------------|-------|------------------------------|---------------|---------|------------|
|             | E-Votes   | Postal Ballot | Total | E-votes                      | Postal Ballot | Total   |            |
| Received    | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Assent      | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Dissent     | 0         | 0             | 0     | 0                            | 0             | 0       | 0          |
| Total       | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |

The above Ordinary Resolution was passed with requisite majority.

### ITEM NO.3 – REAPPOINTMENT OF AUDITOR AND TO FIX REMUNERATION:

**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules 2014 or such other modifications/clarifications if any from time to time in accordance with the Act and pursuant to the recommendations of the Audit Committee, the retiring Auditors M/s VKS Aiyer & Co, Chartered Accountants, Coimbatore (Firm Registration Number 000066S) be and are hereby appointed as Statutory Auditors of the Company to hold such office for a period of three years from the conclusion of this Annual General Meeting till the conclusion of the 23rd Annual General Meeting subject to ratification by members at every Annual General Meeting on such remuneration plus service tax, out of pocket expenses as may be fixed by the Board of Directors of the company as recommended by the Audit Committee thereof.

Voting details on the above resolution:

| Particulars | Number of |               |       | Number of Votes contained in |               |         | Percentage |
|-------------|-----------|---------------|-------|------------------------------|---------------|---------|------------|
|             | E-Votes   | Postal Ballot | Total | E-votes                      | Postal Ballot | Total   |            |
| Received    | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Assent      | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Dissent     | 0         | 0             | 0     | 0                            | 0             | 0       | 0          |
| Total       | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |

The above Ordinary Resolution was passed with requisite majority.

## **SPECIAL BUSINESS:**

### **ITEM NO.4 – APPOINTMENT OF SRI C.THIRUMURTHY AS INDEPENDENT DIRECTOR:**

**RESOLVED THAT** pursuant to Section 149,150,152, and other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and Clause 49 of the Listing agreement, Sri C.Thirumurthy (DIN:00001991),Director of the Company who retires by rotation at the ensuing Annual General Meeting under the provisions of the Companies Act,1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act,2013 signifying his intention to propose Sri C.Thirumurthy as a candidate for the office of Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director to hold office for a period of five years up to 28th September 2019.

Voting details on the above resolution:

| Particulars | Number of |               |       | Number of Votes contained in |               |         | Percentage |
|-------------|-----------|---------------|-------|------------------------------|---------------|---------|------------|
|             | E-Votes   | Postal Ballot | Total | E-votes                      | Postal Ballot | Total   | %          |
| Received    | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Assent      | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Dissent     | 0         | 0             | 0     | 0                            | 0             | 0       | 0          |
| Total       | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |

The above Ordinary Resolution was passed with requisite majority.

### **ITEM NO.5 – APPOINTMENT OF SRI G.V.S.DESIKAN AS INDEPENDENT DIRECTOR:**

**RESOLVED THAT** pursuant to Section 149,150, 152, and other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and Clause 49 of the Listing agreement, Sri G.V.S.Desikan (DIN:00050597),Director of the Company who retires by rotation at the ensuing Annual General Meeting under the provisions of the Companies Act,1956 and in respect of

whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri.G.V.S.Desikan as a candidate for the office of Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director to hold office for a period of five years up to 28th September 2019.

Voting details on the above resolution:

| Particulars | Number of |               |       | Number of Votes contained in |               |         | Percentage |
|-------------|-----------|---------------|-------|------------------------------|---------------|---------|------------|
|             | E-Votes   | Postal Ballot | Total | E-votes                      | Postal Ballot | Total   |            |
| Received    | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Assent      | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Dissent     | 0         | 0             | 0     | 0                            | 0             | 0       | 0          |
| Total       | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |

The above Ordinary Resolution was passed with requisite majority.

#### **ITEM NO.6 – APPOINTMENT OF SRI DHIRESH JAYASI AS INDEPENDENT DIRECTOR:**

**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, and other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 and companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and Clause 49 of the Listing agreement, Sri.Dhires Jayasi (DIN:06931744), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5(five) consecutive years up to 28th September 2019.

Voting details on the above resolution:

| Particulars | Number of |               |       | Number of Votes contained in |               |         | Percentage |
|-------------|-----------|---------------|-------|------------------------------|---------------|---------|------------|
|             | E-Votes   | Postal Ballot | Total | E-votes                      | Postal Ballot | Total   |            |
| Received    | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Assent      | 6         | 57            | 63    | 808462                       | 2908724       | 3717186 | 100        |
| Dissent     | 0         | 1             | 1     | 0                            | 500           | 500     | 0          |
| Total       | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |

The above Ordinary Resolution was passed with requisite majority.

**ITEM NO.7 –CONSENT TO BORROW MONEY IN EXCESS OF THE AGGREGATE OF THE PAID UP CAPITAL AND FREE RESERVES:**

**RESOLVED THAT** in supersession of the Ordinary Resolution adopted at the 11th Annual General Meeting held on 28th September 2005 and pursuant to Section 180(1) (c) and any other applicable provisions of the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time ,apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.300.00 Crores (Rupees Three hundred crores)over and above the aggregate of the paid up share capital and free reserves of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorized to finalise settle and execute such documents/deeds/writings/papers/agreements and to do all acts deeds matters and things as may be required.

Voting details on the above resolution:

| Particulars | Number of |               |       | Number of Votes contained in |               |         | Percentage |
|-------------|-----------|---------------|-------|------------------------------|---------------|---------|------------|
|             | E-Votes   | Postal Ballot | Total | E-votes                      | Postal Ballot | Total   |            |
| Received    | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Assent      | 6         | 57            | 63    | 808462                       | 2908724       | 3717186 | 100        |
| Dissent     | 0         | 1             | 1     | 0                            | 500           | 500     | 0          |
| Total       | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |

The above Special Resolution was passed with requisite majority.

#### **ITEM NO.8 – CONSENT TO CREATE CHARGES, MORTGAGES, PLEDGES AND HYPOTHECATION IN ADDITION TO EXISTING:**

**RESOLVED THAT** pursuant to Section 180(1) (a) and other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors(hereinafter referred to as the" Board "which term shall be deemed to include any Committee thereof) to create such charges, mortgages, pledges and hypothecations in addition to existing charges mortgages pledges and hypothecations created by the Company on such movable and/or immovable tangible and/or intangible properties of the company both present and future in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may deem fit together with the power to takeover the management of the business and concern of the company in certain events of default in favor of the lender(s) agent(s) trustee(s) for securing the borrowings of the company availed/to be availed by way of loan(s) (in Indian rupee and/or foreign currency)and /or debentures bonds or any other debt instruments issued by the Company from time to time subject to the limits approved under Section 180(1) (c) of the Companies Act 2013 and temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business together with interest at the respective agreed rates additional interest compound interest in case of default accumulated interest liquidated damages commitment charges premium on prepayment remuneration of agent(s)/trustee(s) premium if any on redemption all other costs charges. expenses and all other moneys payable by the company in terms of loan agreement(s) head of agreement(s) debenture trust deed(s) or any other document entered into/to be entered into between the company and the lender(s)/agent(s)/trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in

that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/agent(s)/trustees

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorized to finalise settle and execute such documents / deeds writings / papers / agreements and to do all acts deeds matters and things as may be required.

Voting details on the above resolution:

| Particulars | Number of |               |       | Number of Votes contained in |               |         | Percentage |
|-------------|-----------|---------------|-------|------------------------------|---------------|---------|------------|
|             | E-Votes   | Postal Ballot | Total | E-votes                      | Postal Ballot | Total   | %          |
| Received    | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |
| Assent      | 6         | 57            | 63    | 808462                       | 2908724       | 3717186 | 100        |
| Dissent     | 0         | 1             | 1     | 0                            | 500           | 500     | 0          |
| Total       | 6         | 58            | 64    | 808462                       | 2909224       | 3717686 | 100        |

The above Special Resolution was passed with requisite majority.

PLACE: PUNGAMPALLI  
DATE : 29.09.2014.

Sd/-

SHYAMLAL AGARWALA  
CHAIRMAN