

PROCEEDINGS OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF
SALONA COTSPIN LIMITED HELD ON THURSDAY, THE 8th SEPTEMBER 2011 AT 10.30 A.M AT
THE REGISTERED OFFICE OF THE COMPANY 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 |
| 6. Sri Dulichand Pansari | - | Director |

MEMBERS:

Members Present in person 21 and Members represented by proxies 22

The Quorum being present, the meeting 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.

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 31.03.2011 and the Profit and Loss Account for the year ended 31.03.2011 along with the related Schedules were taken as read.

Sri V.S. Srinivasan, Chartered Accountant, Partner, M/s V.K.S. Aiyer & Co, Auditors of the Company read the Auditor's Report of the Company's Audited Accounts for the year ended 31st March, 2011 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

ORDINARY BUSINESS:

ITEM NO.1 - ADOPTION OF ACCOUNTS:

Proposed by Sri Shyamlal Agarwala and seconded by Sri S.P.Sekar as an Ordinary resolution.

RESOLVED THAT the audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2011, Directors Report and Auditors Report thereon, be and the same are hereby received, approved and adopted.

The above resolution was carried unanimously.

ITEM NO.2 - DECLARE DIVIDEND ON EQUITY SHARES:

Proposed by Sri Manoj Kumar Jhajharia seconded by Sri.R.Subramanian as an Ordinary resolution.

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

The above resolution was carried unanimously.

ITEM NO.3 - REAPPOINTMENT OF DIRECTOR:

Proposed by Sri Arun Kumar Jhajharia seconded by Sri.R.Subramanian as an Ordinary resolution.

RESOLVED THAT Sri. G.V.S.Desikan, who retires by rotation and being eligible for reappointment, be and is hereby appointed as Director of the Company.

The above resolution was carried unanimously.

ITEM NO.4 - REAPPOINTMENT OF DIRECTOR:

Proposed by Sri S.P.Sekar and seconded by Sri Pramod Kumar Jhajharia as an Ordinary resolution.

RESOLVED THAT Sri. Dulichand Pansari, who retires by rotation and being eligible for reappointment, be and is hereby appointed as Director of the Company.

The above resolution was carried unanimously.

ITEM NO.5 - REAPPOINTMENT OF AUDITOR AND TO FIX REMUNERATION:

Proposed by Sri G.V.S.Desikan and seconded by Sri.R.Subramanian as an Ordinary resolution.

RESOLVED THAT M/s. VKS Aiyer & Co, 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 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 above resolution was carried unanimously.

SPECIAL BUSINESS:

ITEM NO.6 - REAPPOINTMENT OF SRI.MANOJ KUMAR JHAJHARIA AS JOINT MANAGING DIRECTOR:

Proposed by G.V.S.Desikan and seconded by Sri.S.P.Sekar as an Ordinary resolution.

RESOLVED THAT consent be and is hereby accorded under section 198,269,309 and Schdule XIII and other applicable provisions of the companies Act,1956 for reappointment of Sri.Manoj Kumar Jhajharia as Joint Managing Director of the company for a further period of Five years from 01.07.2011 to 30.06.2016 on the following terms and conditions:

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 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) Per annum.

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

FURTHER RESOLVED THAT, Sri. Manoj Kumar Jhajharia as Joint Managing Director be entrusted with all the powers of 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 the Directors of the company.

The above resolution was carried unanimously.

ITEM NO.7 -REMUNERATION PAYABLE U/S 314 TO SRI.PRAMOD KUMAR JHAJHARIA, CHIEF EXECUTIVE:

Proposed by Sri G.V.S.Desikan and seconded by Sri.S.P.Sekar as an Ordinary resolution.

RESOLVED THAT, subject to approval of share holders of the Company to be accorded under Section 314 and other applicable provisions if any, of the companies Act 1956, Sri Pramod Kumar Jhajharia, be and is hereby paid Remuneration with effect from 1st April 2010 in consideration of his services as Chief Executive on the following terms and conditions:

I.SALARY: Rs.45, 000/= (Rupees Forty Five thousand only) per month.

II.PERQUISITES:

In addition to the Salary, Sri Pramod 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.

FURTHER RESOLVED THAT Sri Pramodkumar Jhajharia, as Chief Executive, is 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.

The above resolution was carried unanimously.

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

PLACE: PUNGAMPALLI

DATE : 08.09.2011.

**SD
CHAIRMAN**