

PROCEEDINGS OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SALONA COTSPIN LIMITED HELD ON MONDAY, THE 16th SEPTEMBER 2013 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.

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 C.Thirumurthy | - Director |

MEMBERS:

Members present in person 32 Nos.

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 31.03.2013 and the Profit and Loss Account for the year ended 31.03.2013 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, 2013 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:

The Resolution is proposed by Sri Shyamlal Agarwala and seconded by: Sri R.Subramanian

"RESOLVED THAT the Profit and Loss Account for the year ended 31st March 2013, 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 - REAPPOINTMENT OF DIRECTOR:

The Resolution is proposed by Sri Manoj Kumar Jhajharia seconded by Sri.R.Subramanian

"RESOLVED THAT Sri. G.V.S.Desikan, 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.3 - REAPPOINTMENT OF DIRECTOR:

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

"RESOLVED THAT Sri. Dulichand Pansari, 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 - REAPPOINTMENT OF AUDITOR AND TO FIX REMUNERATION:

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

"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 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.

SPECIAL BUSINESS:

ITEM NO.5-REVISION OF REMUNERATION TO MANAGING DIRECTOR

The Resolution is proposed by G.V.S.Desikan and seconded by Sri.R.Subramanian

RESOLVED THAT consent of Shareholders of the company be and is hereby accorded under Section 198,269,309 and Schedule Xiii and other applicable provisions of the Companies Act 1956 for payment of the following revised remuneration to Sri.Shyamlal Agarwala, Chairman cum Managing Director of the company with effect from 1st April 2013 for the remaining tenure of his office.

I.SALARY: Rs.1, 50,000/= (Rupees One Lac fifty thousand 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.18.00 Lacs (Rupees Eighteen Lacs only)

V.MINIMUM REMUNERATION:

ALSO RESOLVED THAT, subject to the limits prescribed in Section II of part II of Schedule XIII to Companies Act,1956,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 remaining tenure of office of Sri. Shyamlal Agarwala, as Chairman cum Managing Director.

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.6–REVISION OF REMUNERATION TO JOINT MANAGING DIRECTOR

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

RESOLVED THAT consent of Shareholders of the company be and is hereby accorded under Section 198,269,309 and Schedule Xiii and other applicable provisions of the Companies Act 1956 for payment of the following revised remuneration to Sri.Manoj Kumar Jhajharia, Joint Managing Director of the company with effect from 1st April 2013 for the remaining tenure of his office.

I.SALARY: Rs.1, 25, 000/= (Rupees One lac Twenty five 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.15.00 Lacs. (Rupees Fifteen lacs only)

IV.MINIMUM REMUNERATION:-

ALSO RESOLVED THAT, subject to the limits prescribed in Section II of part II of Schedule XIII to Companies Act,1956,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 remaining tenure of office of Sri. Manoj Kumar Jhajharia, Joint Managing Director.

FURTHER RESOLVED THAT Sri Manoj Kumar Jhajharia, as Joint Managing Director, be and 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 : 16.09.2013.

**SD
SHYAMLAL AGARWALA
CHAIRMAN**